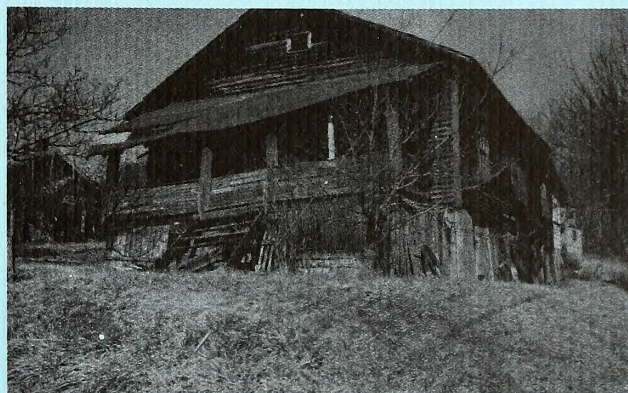
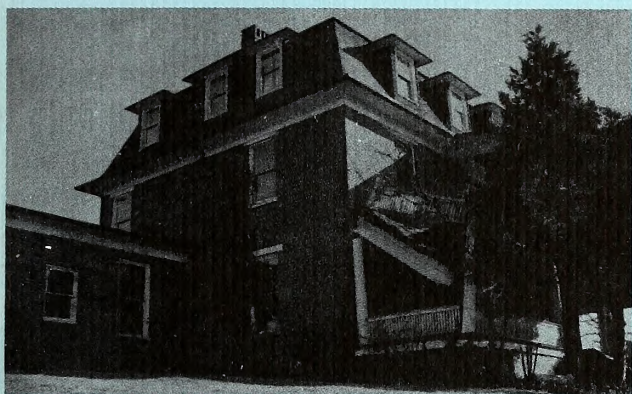


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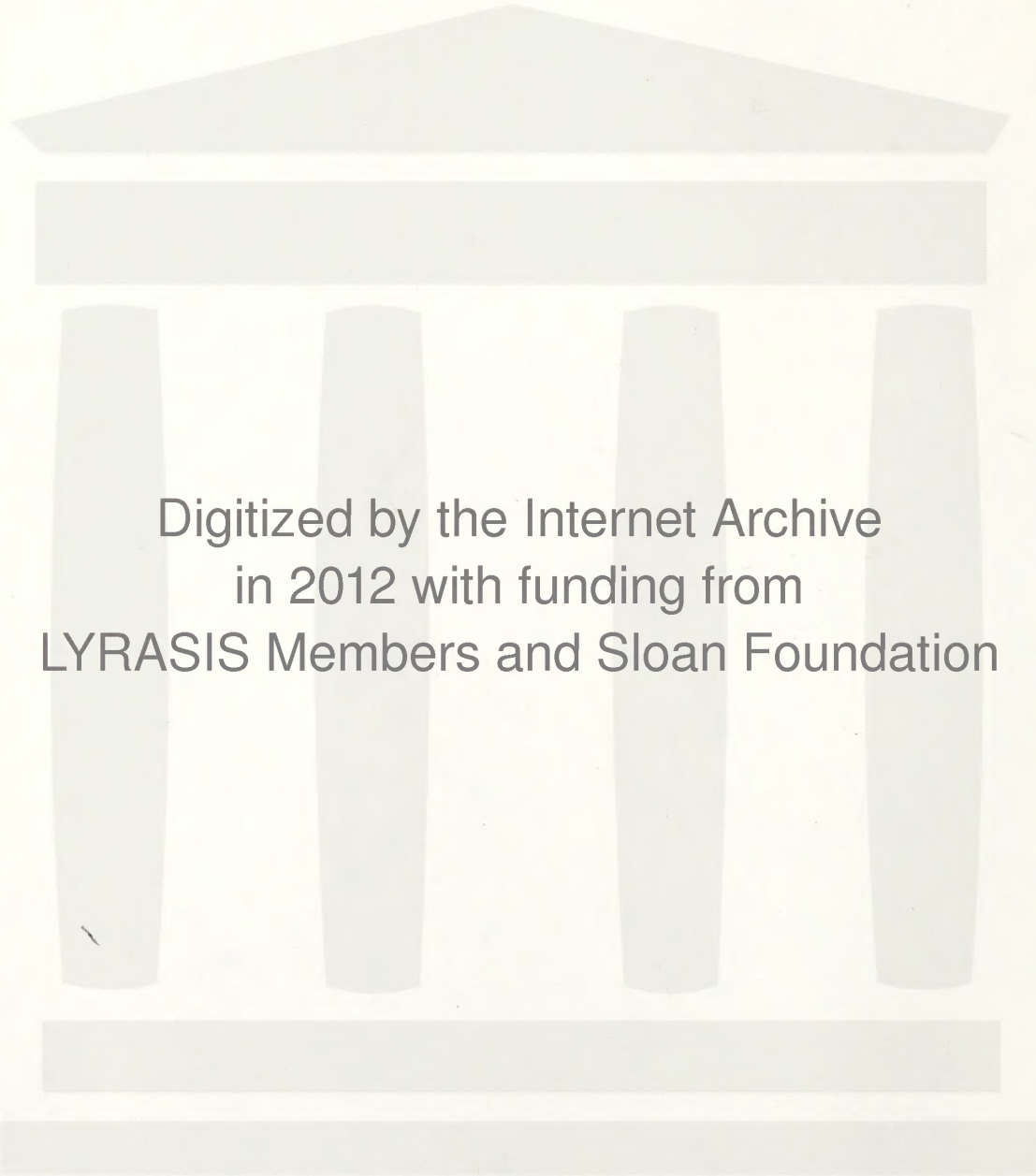
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**INITIAL HOUSING ELEMENT
WOODFIN, NORTH CAROLINA**

INITIAL HOUSING ELEMENT

TOWN OF WOODFIN, NORTH CAROLINA



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INITIAL HOUSING ELEMENT
FOR
WOODFIN, NORTH CAROLINA

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Preparation of this document was financed in part through an urban planning grant from the Department of Housing and Urban Development under the provision of Section 701 of the Housing Act of 1954 as amended.

INTRODUCTION

This Initial Housing Element is the first comprehensive look at housing in the Town of Woodfin. It is the first serious effort to reach the stated goal of a decent, sound, and sanitary dwelling unit for every family in the Town of Woodfin. This housing study is considered as part of the overall Comprehensive Plan for the Town of Woodfin and is subject to the same continuing planning process but on a more detailed basis.

Purpose

The purpose of this study is to outline some of the basic problems in providing decent housing. It sets forth preliminary objectives and implementing action programs that will help to eliminate these problems. This study is an attempt to get the local public officials, leaders, and developers to work jointly in developing an overall program that will eventually eliminate substandard housing and insure the availability of sound units for all local families.

Scope

The study examines the relationship of this housing element to the entire planning program and Comprehensive Plan of the Town of Woodfin. The statement of goals and plans of action to eradicate the existing problems and obstacles to housing are included as a major part of this study. Also, with the limited amount of data available, consideration was given to additional housing needed to meet the demands and requirements of the Asheville Standard Metropolitan Statistical Area (SMSA). The purpose of this study was also to determine the availability of actual data needed for a detailed housing element. Also, the determination of the lack of pertinent data and how it can be obtained is included as part of the scope of this Initial Housing Element.

Method of Study

The primary method of study used in this study was to pull together and correlate all existing data and information. Having incorporated after the 1970 Census was taken; census tracts, enumeration districts, or blocks used in the census do not correspond to the boundaries of the Town of Woodfin. Portions of the Town are in the following "Census Tracts In the Asheville, N. C. SMSA":

Reems Creek Township - Number 27
Census Tract - Number 4
Census Tract - Number 15
Census Tract - Number 16

Census Tract Number 15 is the only tract which is totally contained within the Woodfin Town Limits and is representative of:

56 percent of the land area
57 percent of the population
72 percent of the housing units

As the U. S. Bureau of the Census publication PHC(1)-13 entitled "Census Tracts; Asheville, N. C.; Standard Metropolitan Statistical Area" delineates tract number 15 and because it represents 72 percent of the housing units in Woodfin, it is more than a reasonable sample of the Town's housing characteristics. By transposing the data into percentages, we are able to provide a fairly accurate picture using this report.

It is important for showing trends and comparative data that decennial census information be used and where it is not available, surveys taken as soon before or as soon afterwards be used in its place.

CHAPTER 1

PREVIOUS REPORTS

In 1966, a study entitled "A Program for Renewal - Neighborhood Analysis Study" was prepared for the Asheville Metropolitan Planning Area by Barbour-Cooper and Associates, Inc., of Asheville, North Carolina. This study contains some valuable information that should be readily available to Woodfin's residents and officials and also for use in future studies. We are, therefore, reproducing the following selected portions that relate to the Woodfin area:

"Census Tracts

The Asheville Standard Metropolitan Statistical Area (Buncombe County) is eligible for census tracts. Statistical data on age, sex, marital status, income, education, and employment status of the residents, and type, quality, size, and ownership of homes will be provided on a tract basis, if approved tracts are established.

To coordinate the collection of data, a preliminary census tract proposal was developed as a part of this study. Bureau of the Census requirements for tract boundaries make it difficult for the study areas and census tracts to be 100 percent identical. Population requirements, for example, (at least 2,500 persons per tract) limited the number of census tracts which could be established. Coordination was achieved, therefore, by assuring that no overlap developed between tract and study area boundaries. In some instances tract and study areas are identical, and in other cases several study areas were delineated within one census tract."

"The Woodfin Unit, Study Area 18" in this report follows the exact same boundary lines as the Asheville SMSA Bureau of the Census Tract Number 15 in the 1970 Census.

"Study Area 18 comprises the entire Woodfin unit. It is bound on the north by the Southern Railroad, on the east by Burnsville Hill Road and on the south and west by the French Broad River. Area 18, known locally as the Woodfin Community, is a substantially blighted unincorporated section of lower and moderately priced housing. Poor accessibility has retarded new growth in Woodfin, but the completion of the Weaverville Freeway, with ramps to the south and north and one interchange within the Study Area should alter development potentials, provided certain conditions are corrected.

Land Use

Only 50 percent of Woodfin's 1,018 acres are now developed with single family residences accounting for almost half of the developed land. Residential development is found throughout with the denser concentrations located in the east and north. Commercial and industrial development is generally located along the French Broad River and Riverside Drive in the south and west.

Land use problems are very critical in the southeast part of Area 18. This section contains instances of mixed land use, a poorly designed trailer park and a complete lack of buffer treatment between industrial and commercial uses and adjacent residences. Uncontrolled outside storage is also a problem in this section and at scattered locations throughout the developed portions of the Study Area. The commercial activities at the junction of Lakeshore Drive and Burnsville Hill Road are an outstanding example of inappropriately located uses and their incompatibility with adjacent residences.

Land Use Statistics

	<u>Acres</u>	<u>Percent of Total Area</u>	<u>Percent of Developed Land</u>
Residential	240.3	23.60	46.84
Single Family	240.0	23.58	46.80
Multi-Family	.3	.02	.04
Commercial	15.0	1.50	2.49
Industrial	44.7	4.40	8.74
Public & Semi-Public	38.0	3.55	7.45
Streets	77.0	7.58	15.01
Railway	36.0	3.53	7.00
Water	64.0	6.29	12.47
Vacant Land	504.0	49.54	-
Total Acres	1,019.0	100.00	100.00

Percent Developed Land: 50.46

Structures per Residential Acre: 3.4

Housing Units per Residential Acre: 3.4

Zoning

No zoning controls presently exist in any part of Study Area 18. This lack of protection has been a major contributor to the high degree of blight located throughout the area. The adoption of county zoning and extraterritorial zoning by the City of Asheville, where applicable, is recommended as a top priority need.

Population

Study Area 18 contains an all-white population of 2,527. Woodfin has the potential to house an ultimate population of 6,076 people. This estimate assumes the redevelopment of all severely blighted areas and the full development of all suitable residential land at a density of 3.4 units per acre.

Future Land Development

Woodfin will maintain the present pattern of land development in future years. That is, industrial use along the French Broad River and Riverside Drive with the remainder of the Area in predominantly single family residential use. Completion of the Weaverville Freeway will encourage growth throughout Woodfin and will promote the possibility of commercial development at its intersection with Elk Mountain Road. The rate at which such growth occurs will depend upon how effectively blighting conditions are corrected. Residential growth in Area 18 will be moderately priced housing.

Structural Conditions

A high percentage of sub-standard structures are located throughout Study Area 18. Three concentrations exist where conditions are too advanced for any measures short of clearance and redevelopment to offer improvement. These sections are in the northeast, northwest, and southeast. Throughout most of the remainder of the area sub-standard structures exert a strong adverse influence because of their scattered locational pattern.

Statistical Analysis of Structural Conditions

	<u>Single Family</u>	<u>Multi Family</u>	<u>Public Semi-Public</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Totals</u>
Standard	358	0	27	6	3	394
Sub-Standard						
Rehabilitate	351	2	7	31	18	409
Sub-Standard						
Dilapidated	<u>102</u>	<u>0</u>	<u>2</u>	<u>3</u>	<u>0</u>	<u>107</u>
Totals	811	2	36	40	21	910

Residential Structures: 813

Non-Residential Structures: 97

	<u>Residential Structures</u>	<u>All Structures</u>
Standard	44.0%	43.3%
Sub-Standard		
Rehabilitate	43.4%	44.9%
Sub-Standard		
Dilapidated	12.6%	11.8%

Number of Families and Condition of Housing Units

	<u>Families</u>	<u>Percent</u>
Standard	358	43.9
Sub-Standard		
Rehabilitate	355	43.6
Sub-Standard		
Dilapidated	102	12.5

Living in Sub-Standard Housing: 56.1%

Characteristics of Families Affected By Poor Housing

Families interviewed: 74

<u>Family Size</u>	<u>Number</u>	<u>Age Group</u>	<u>Number</u>
1	11	under 6	30
2	19	6-13	44
3	13	14-17	15
4	14	18-19	9
5	11	20-29	33
6	4	30-39	26
7	1	40-59	46
8 or more	1	60 & over	35
Total	74	Total	238

Average Family Size: 3.21

Overall Average Family Size: 3.21

<u>Family Income:</u>	<u>No.</u>	<u>Occupation</u>	<u>No.</u>
Under \$1,000	2	Agriculture	-
\$1,000 to \$2,000	8	Unskilled	22
\$2,000 to \$3,000	16	Semi-skilled	21
\$3,000 to \$4,000	12	Skilled	6
\$4,000 to \$5,000	10	Professional	-
Over \$5,000	5		

Average Income, Head of Household: \$3,150

Average Income, Family: 3,532

Per Capita Income: 951

Receiving Social Security or

Retirement Pay: 27

Receiving Welfare: 12

<u>Housing:</u>	<u>Number</u>	<u>Monthly Rent</u>	<u>Number</u>
Renter Occupied	27	\$25 or less	13
Owner Occupied	47	\$25 to \$34	9
Average Monthly Rental - \$29.35		\$35 to \$44	-
		\$45 to \$54	-
		\$55 to \$65	1
		\$65 or more	-

Overall Average Monthly Rental: \$29.35

Persons Per Sleeping Room: 1.71

Houses with 1.01 or More Persons Per Room: 19

Percent of Dwelling Units with 1.01 or more Per Room: 25.7%

Social Conditions

Although the Woodfin Unit is heavily blighted, social conditions are not a major problem. This can probably be attributed to the sparse development and rural atmosphere of the residential sections. Within the

Neighborhood Analysis Planning Area, the Woodfin Unit accounts for:

- 1.8 Percent of the Infant Mortality
- 2.5 Percent of the Venereal Disease Cases
- 4.0 Percent of the Public Assistance Cases

Blighting Factors

- high percentage of sub-standard structures with three intense concentrations in the southeast, northeast, and northwest
- poorly maintained sites and structures throughout the area. This is especially true in the commercial and industrial sections.
- uncontrolled outside storage in the southeast
- lack of zoning controls and housing codes throughout the area
- lack of subdivision regulations in those sections which are more than one mile from the Asheville corporate limits
- an abundance of narrow, poorly aligned and dangerous minor streets
- complete lack of buffer treatment between residential uses and incompatible non-residential uses
- inadequate playground facilities
- mixed land use problems in the southeast and along Riverside Drive
- flooding conditions along the French Broad River.

Recommended Renewal Treatment

Study Area 18 is an extremely blighted section which will require a combination of rehabilitation treatment, rehabilitation projects, and clearance projects. Rehabilitation treatment is recommended for the industrial sections along the French Broad River. Three separate redevelopment projects are recommended for the Study Area. Two are located in the eastern part of the Study Area and one is located in the northwest. Proper development planning and regulations are recommended for the undeveloped west part of the Study Area. Conservation is the only treatment needed in the northern part. The immediate adoption of zoning controls, subdivision regulations, and housing codes are recommended for the entire area. It will take a combination of many actions to upgrade and make Woodfin a functional and sound part of the Metropolitan Area."

Another pertinent study relating to the Woodfin area containing housing information was "Woodfin Area: Incorporation and the City of Asheville" prepared by the Asheville-Buncombe County Metropolitan Planning Board in February, 1971. Chapter II of this study "The Physical Aspects of Woodfin" contains the following pertinent data:

"The Asheville area has been traditionally oriented towards neighborhood groupings with some geographic or social autonomy. In earlier periods of Asheville's history, the small, central core of the City of Asheville was

surrounded by unincorporated entities, some of which resembled urbanized centers, while others were only a residential neighborhood sharing a common name or geographic location. The areas of Biltmore, Victoria, Kenilworth, Oakley, Beverly Hills, Haw Creek, Montford, Beaverdam, Woodfin, and West Asheville have, at one time, been considered separate and distinct neighborhoods apart from the City.

Through the years all of these areas have been annexed into the City in whole or in part with the exception of the Woodfin area. Woodfin, more than many of the other areas, displays a greater degree of community consciousness.

Woodfin has traditionally been associated with the industries located in the floodplain of the French Broad River from Pearson Bridge to the old dam north of Burlington Industries. Supporting residential areas developed between the River and the existing city limits of Asheville.

The area which has been proposed for incorporation includes approximately 1,858 acres. Of this total acreage, approximately 82 percent is either developed for residential use or undeveloped. There is no central commercial district in Woodfin. Only two percent of acreage is developed for commercial use which is scattered sparsely throughout the area except for the strip commercial uses along old U.S. 19-23.

The major current development in Woodfin is the new Appalachian Corridor Highway which bisects the more populated eastern section. This highway has created a number of relocations for Woodfin residents and many streets alterations. Great concern has been generated in Woodfin regarding the effect of this major highway and its full interchange on the central portion of the area.

In the Neighborhood Analysis prepared for the Metropolitan Planning Board in 1966, Woodfin was found to have an all white population of 2,520. (This population was determined by multiplying the average of 3.1 persons per dwelling unit times the total number of dwelling units which was 813). However, this area did not include the area north of Beaverdam Creek. It is now estimated that in the entire area proposed for incorporation, there are 892 dwelling units, and a population of 2,765.

The Neighborhood Analysis reported that in 1966, 56 percent of Woodfin's housing units were considered substandard dwellings. Even though the new highway has eliminated some of the substandard units and some new development has taken place, there is still a high percentage of substandard dwelling units. Many of the substandard conditions of the community result from lack of proper land development controls.

With a total land area of 1,858 acres and a population of 2,765 the Woodfin area has a density of 1.48 persons per acre of land. In the General Statutes of North Carolina, an area which has less than 2.0 persons per acre is not considered to be developed in such a way as to be defined as an urban area for the purpose of annexation.

Woodfin is served by approximately 17 miles of local streets. The majority of this local street mileage is in residential neighborhoods. Elk Mountain Road serves as the major collector of traffic from the residential sections and provides east-west access through the area. N.C. 191 parallels the French Broad River on the western boundary of the Woodfin area and serves as a truck route connecting eastern Tennessee and areas to the south of Asheville. Although not actually within the Woodfin area itself, U.S. 19-23-25-70 (Weaverville Highway) runs north-south just outside and parallel to the eastern boundary of the proposed area of incorporation. The Appalachian Corridor Highway, scheduled for completion in 1972, will serve as the major north-south highway of Western North Carolina.

A unique aspect of the Woodfin Community is that it has its own water and sewer system, constructed in the 1920's. However, the area served by the Woodfin system includes not only the proposed incorporated area but extends to the north, west, and east into the City of Asheville. The Woodfin Sanitary and Water District has approximately \$48,000 net outstanding debt on refunding bonds issued in 1936. The district is currently paying off this debt with a six cent property tax and part of the water service charge. All the debt will be paid off by 1976. All water and sewer lines (with the exception of the MSD lines) belong to the Woodfin Sanitary and Water District.

Fire protection is provided by a 27 man volunteer department located in a new community center in the central part of Woodfin. Fire protection is financed by a ten cent property tax in the Fire District. The department owns one 1960 model 500 gallon pumper, one 1971 model 750 gallon pumper and a pickup truck for maintenance. Fire protection is strengthened by mutual aid agreements between the Woodfin Fire Department, other volunteer departments, and the City of Asheville.

Most residences of Woodfin have a contract with a private firm for collection of garbage which costs each resident about \$26.00 per year. This service includes a once-a-week pickup. Other services are provided by the County, including police protection, some building code inspections, and health services."



CHAPTER 2

HOUSING INVENTORY

We have previously only had estimates of the housing counts and conditions for the Town of Woodfin. A survey of existing land uses within Woodfin was conducted during the summer of 1973 by the North Carolina Department of Natural and Economic Resources, Division of Community Assistance, which ranked the housing in the four following categories with their definitions:

Standard: Structures which have no defects or only slight defects which are correctable during regular maintenance.

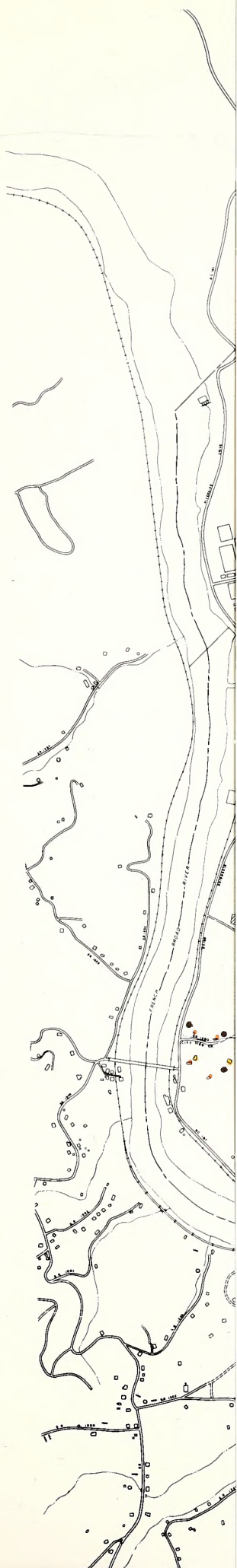
Substandard (deteriorating): Structures having defects which require major repairs to prevent further deterioration.

Substandard (dilapidated): Structures which are unfit and unsafe for human occupancy. Such housing has one or more critical defects which are beyond economical repair. The term substandard, as used in this study encompasses housing of deteriorating and dilapidated condition.

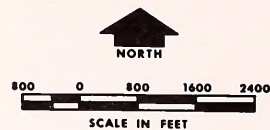
Mobile Homes: A movable home that typically has an aluminum-sheathed wooden frame resting on a steel undercarriage that stands on its wheels and trailer-hitch attachment. To be classified as a mobile home, a unit must be at least 30 feet long and 8 feet wide and must weigh 4,500 pounds or more.

The survey indicated that there were a total of 990 dwelling units located within the town limits of Woodfin of which 232 were mobile homes. Homes rated in standard condition composed 38.29 percent of all dwellings or 379 units. There were 434 dwellings in the deteriorating category which made up 43.84 percent of all homes. (Shown on Table #1.)

Dilapidated units accounted for 12.02 percent of the conventional dwellings and about 25 percent of the mobile homes making a total of 177 units or 17.88 percent of all homes. Of the total units, conventional and mobile, there is a total of 611 substandard dwellings which is a high 61.72 percent. The state of the American housing inventory as determined by the 1960 census showed 18.2 percent substandard and 81.8 percent standard. A realistic look at the Nation's



WOODFIN NORTH CAROLINA



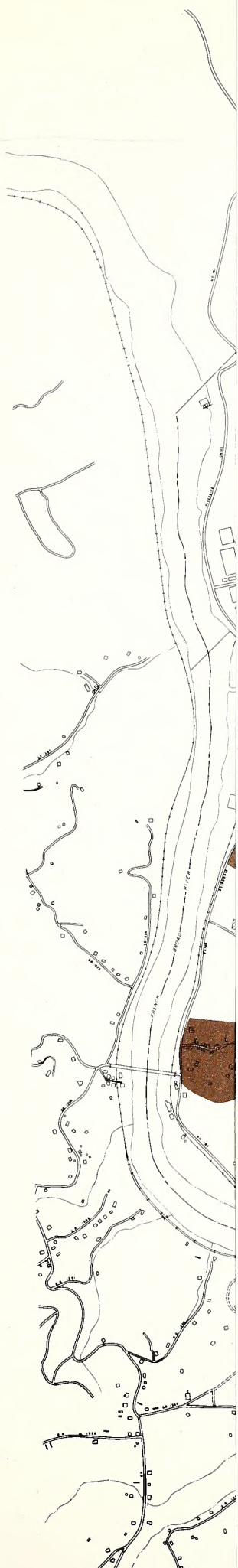
HOUSING INVENTORY

LEGEND

- STANDARD HOUSING
- DETERIORATING HOUSING
- DILAPIDATED HOUSING
- MOBILE HOME

MAP 1





WOODFIN NORTH CAROLINA



**AREAS of LOW and
MODERATE INCOME
HOUSING**

MAP 2



TABLE #1

TOWN OF WOODFIN, NORTH CAROLINA
HOUSING CONDITIONS - SUMMER, 1973

	<u>Number</u>	<u>Percent of Total Units</u>
Total Number of Housing Units	990	100.00
Conventional	758	76.57
Standard	263	26.57
Substandard (deteriorating)	376	37.98
Substandard (dilapidating)	119	12.02
Mobile	232	23.43
Est. Standard	116	11.72
Est. Substandard (deteriorating)	58	5.86
Est. Substandard (dilapidated)	58	5.86
Total Housing Units - Conventional & Mobile		
Standard	379	38.29
Substandard (deteriorating)	434	43.84
Substandard (dilapidated)	177	17.88
Total Housing Units - Standard	379	38.28
Total Housing Units - Substandard	611	61.72

SOURCE: N. C. Department of Natural and Economic Resources, Division of
Community Assistance

for 1970 indicated one out of every six or 16.67 percent of the Nation's housing units were inadequate. In contrast, two out of every three dwelling units in Woodfin are substandard or inadequate.

Another high statistic for the Town of Woodfin is the number of (232) mobile units which represents 23.43 percent of all dwellings. In 1960, mobile homes composed one percent of the total American housing supply, by 1970 they made up 3.27 percent. The 3.27 percent represents 2,073,994 mobile units of the Nation's 63,445,192 total housing units. In the State of North Carolina there is a total of 1,509,564 housing units of which 98,267 or 6.51 percent are mobile homes.

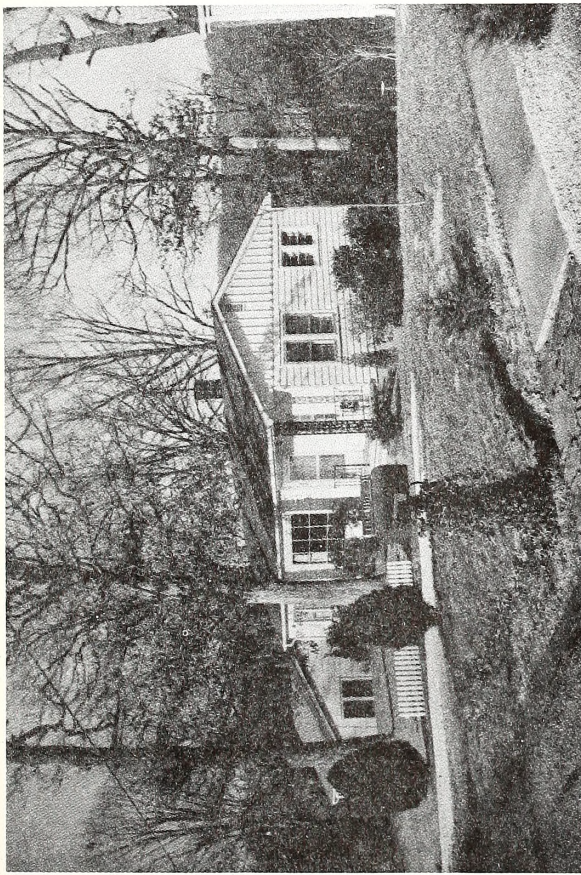
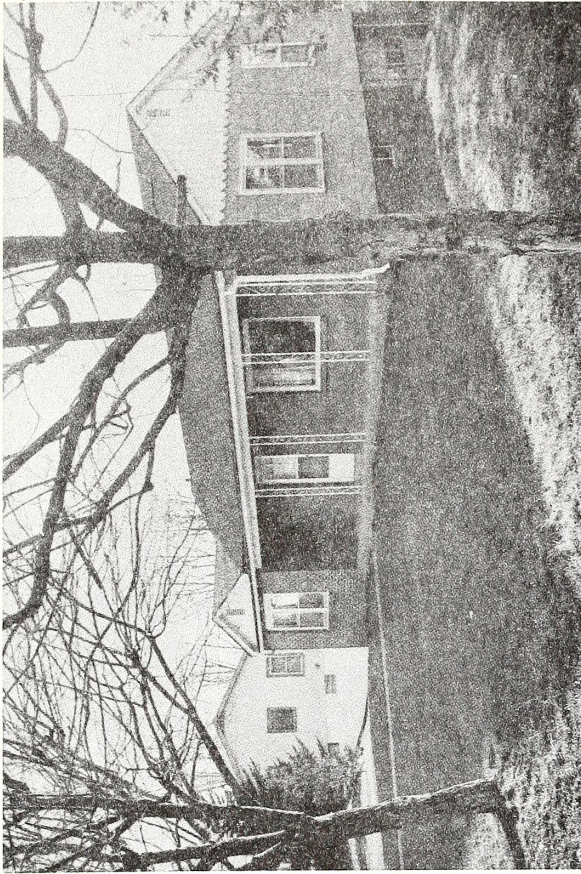
Other Housing Characteristics

The following information was derived from the U. S. Census of Population and Housing of 1970. The totals, therefore, do not exactly equal those presented by the actual housing survey. The percentages, however, should be reasonably accurate.

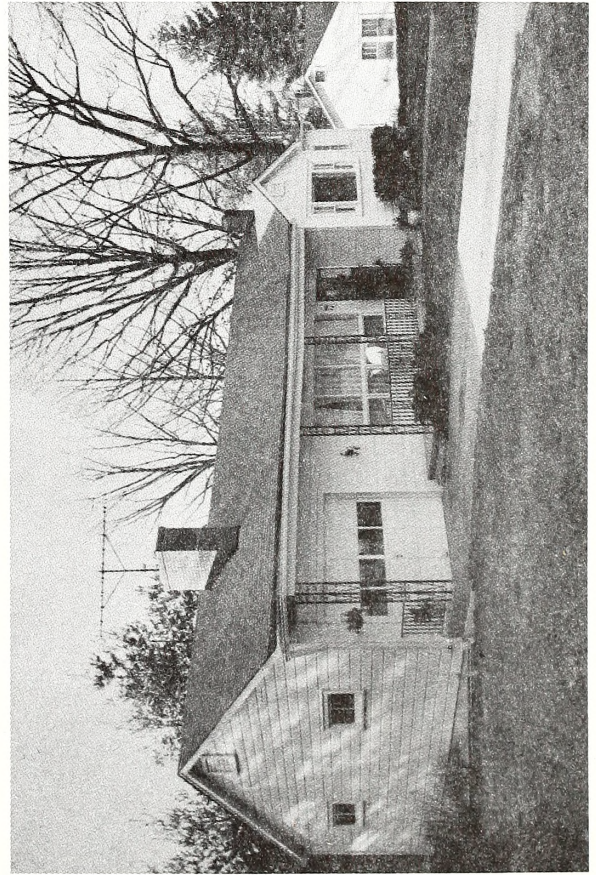
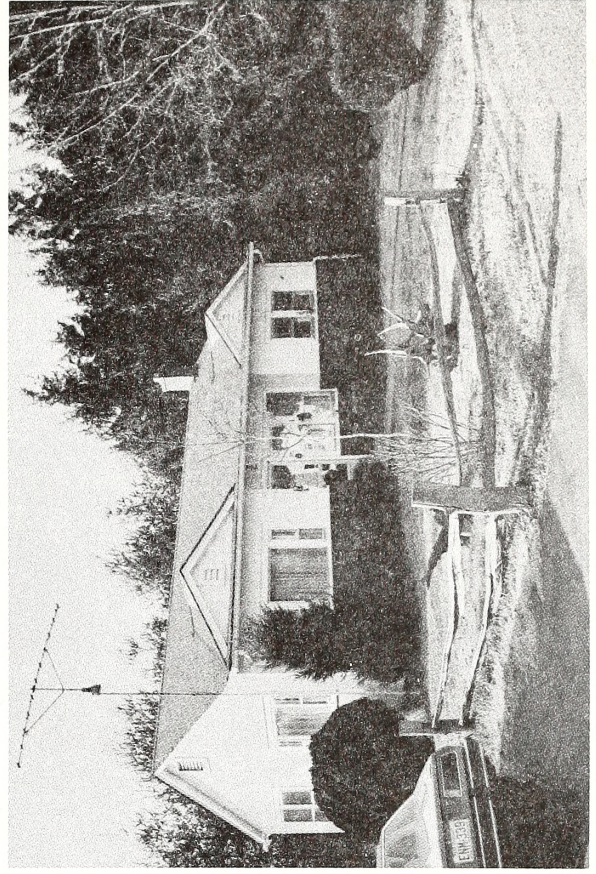
Crowding

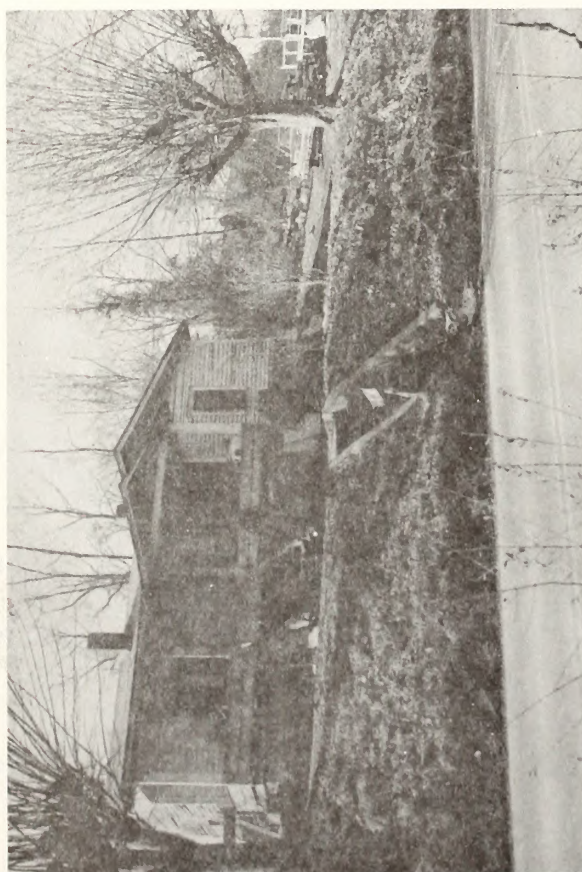
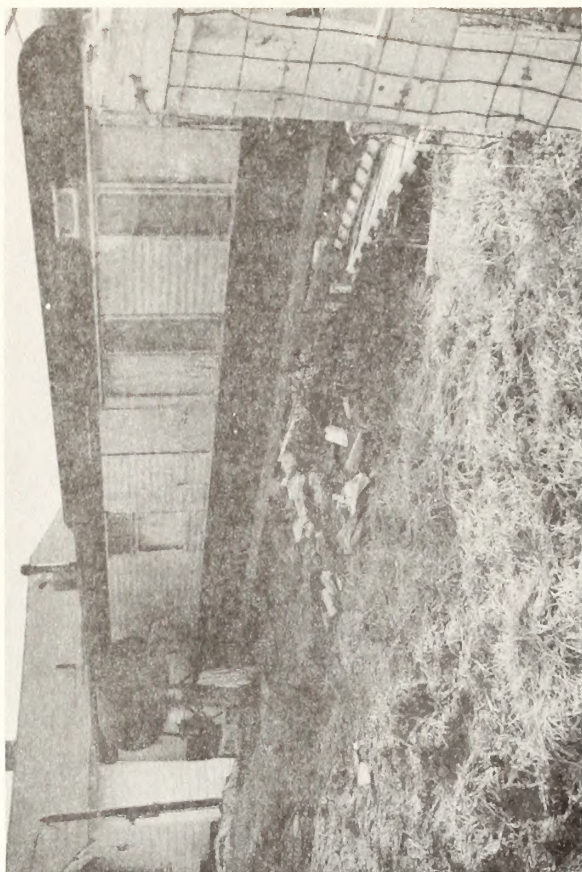
The number of persons per room provides a measure of the utilization of housing. Units with more than one person per room are considered crowded. It is generally accepted that 1.51 or more persons per rooms represents severe crowding.

Approximately 8.91 percent of the dwelling units in the Town of Woodfin were classified as severely crowded in 1970. This is compared with 6.8 percent for the state as a whole and 6.4 percent for the nation. The ill effects of overcrowding have long been established; however, the psychological effects related to such an environment are not nearly so well documented nor understood.

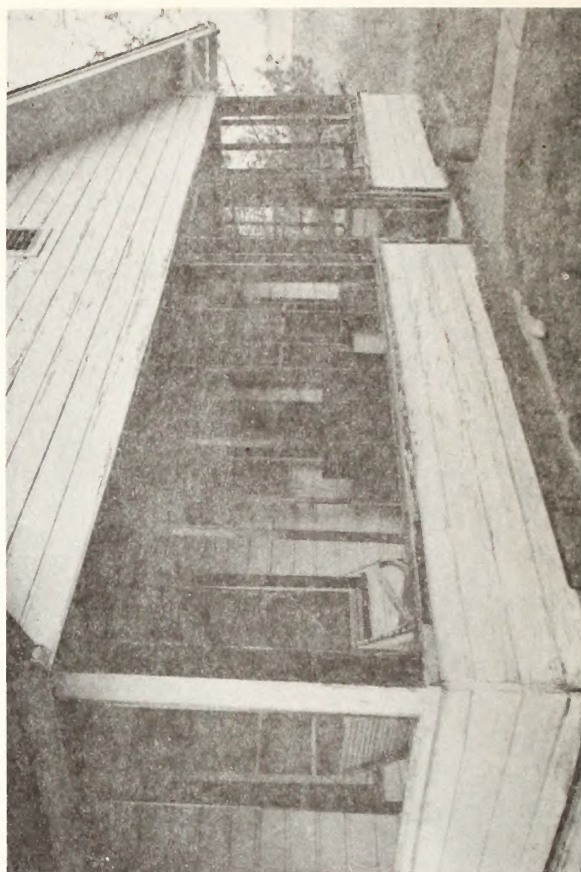


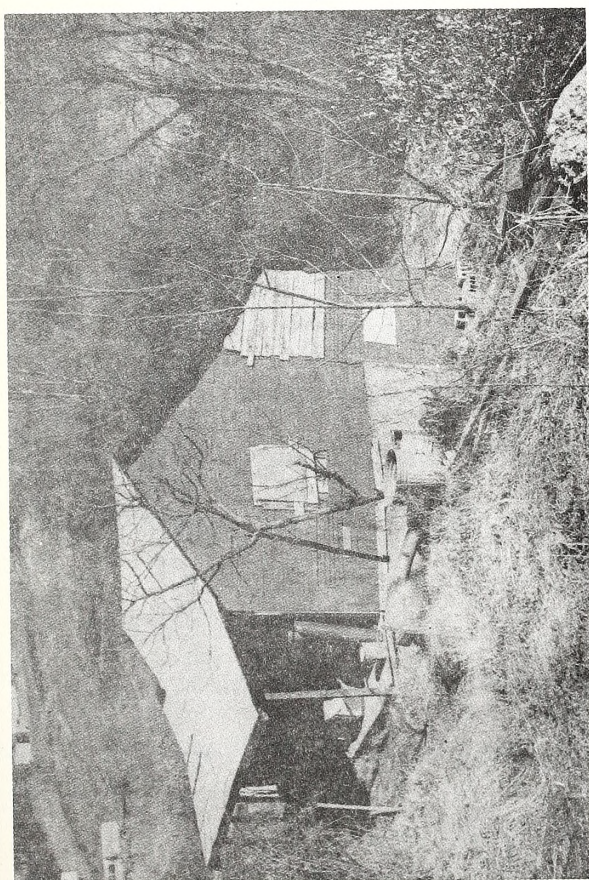
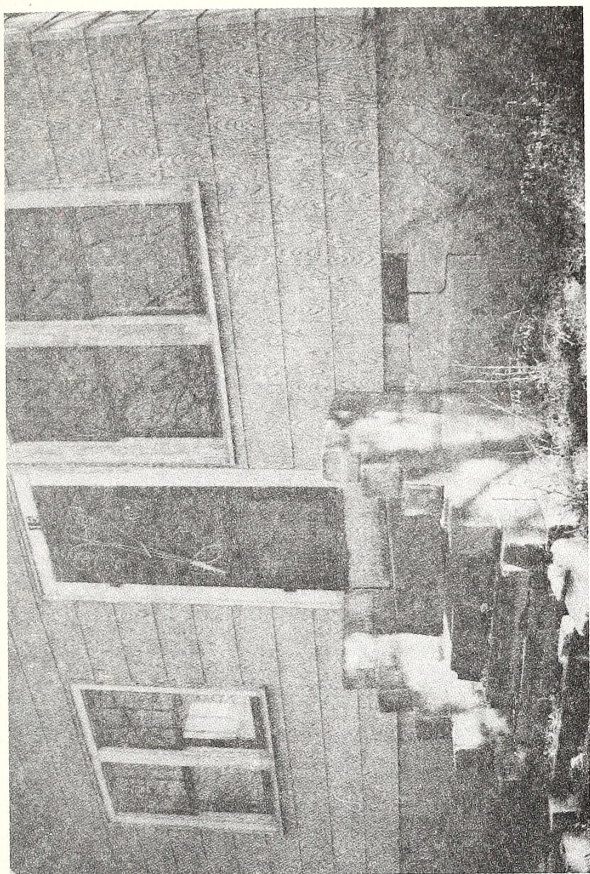
STANDARD HOUSING





DETERIORATING HOUSING





DILAPIDATED HOUSING

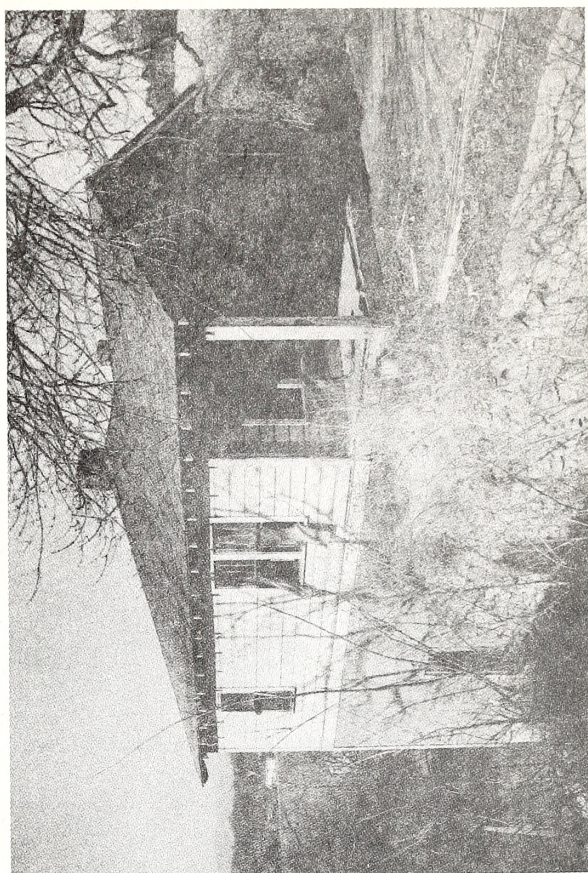


TABLE #2

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

<u>Tenure & Vacancy Status</u>	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
In owner-occupied units %	72.74	58.50	65.71	60.14	58.92
In renter-occupied units %	20.76	35.23	25.82	31.84	34.80
Vacant year round	6.50	5.92	6.35		
For sale only	2.40	1.24	1.16		
Vacant less than 6 mths.	2.40	.79	.76		
Median price asked	\$5,000.00	\$13,300.00	\$14,700.00		
For rent only	2.40	2.70	2.10		
Vacant less than 2 mths.	.98	1.65	1.09		
Median rent asked	\$45.00	\$73.00	\$65.00		
Other	1.69	1.99	3.08		

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
 N. C. Department of Natural and Economic Resources, Division of Community Assistance

It appears these effects may be far more detrimental to the individual than those of a physical nature. A perception of one's self that leads to pessimism and passivity; stress to which the individual cannot adapt; poor health and a state of dissatisfaction; pleasure in company but not in solitude; cynicism about people and organizations; difficulty in household management and child-rearing; and external relationships rather than deep internal or family relationships are examples of some of the maladjustments related to overcrowded conditions within the home.

Unit Size

The importance of size of houses or apartments lie primarily in its use as a measure of the adequacy of dwelling units to satisfy the requirements of families of various sizes and composition and as a basis for projecting future unit size requirements in an area. The median number of rooms is 4.8 for the Town of Woodfin housing units. The median for Asheville, Buncombe County, North Carolina, and the United States is 5.0. Table #3 gives a breakdown by the number of dwelling units of various sizes.

Units in Structure

As shown in Table #7, there are only 43 dwelling units in the Study Area which contain more than one unit. This represents only 4.30 percent of the total number of dwellings. This is much lower than the State of North Carolina which is 11.55 and for the United States 27.82.

Plumbing Facilities

One indicator of the condition of housing which has been used by the Bureau of Census is the existence of plumbing facilities. As shown in Table #3, 5.23

TABLE #3

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

Lacking Some or All Plumbing Facilities

	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
All units	7.91	4.29	9.33		
Owner occupied	5.23	1.29	4.77		
Renter occupied	1.98	2.56	3.38		
Vacant year-round	.71	.44	1.16		
Lacking complete kitchen facilities	3.67	2.06	3.53		
<u>Rooms</u>					
2 rooms	.42	3.35	2.25	1.6	3.49
3 rooms	7.34	10.20	8.05	7.8	10.10
4 rooms	33.05	20.78	23.44	24.6	20.85
5 rooms	33.76	25.95	28.93	29.5	25.11
6 rooms	15.96	19.96	19.49	20.2	20.10
7 rooms	5.51	9.12	7.89	15.8	17.65
8 rooms	2.40	5.12	3.99		
9 rooms or more	1.55	3.82	3.00		
Median	4.8	5.0	5.0	5.0	5.0

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
 N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #4

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

All Occupied Housing Units as Percent of All Units

	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
	93.50	93.73	91.53		
<u>Persons % of all occupied</u>					
1 person	12.39	21.74	16.03	11.0	11.94
2 persons	32.93	32.28	31.68	30.0	30.11
3 persons	23.11	17.48	19.42	20.9	17.51
4 persons	16.01	13.53	16.19	18.7	17.36
5 persons	9.21	7.79	8.90	10.4	11.42
6 persons or more	6.50	7.18	7.78	8.9	21.19
Median, all occupied units	2.7	2.4	2.6	3.2	3.1
Median, owner occupied units	2.6	2.5	2.7	3.2	3.1
Median, renter-occupied units	2.9	2.1	2.4	3.3	2.7
Units with roomers, boarders or lodgers	.76	2.58	1.56		

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #5

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

<u>Value</u>	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
Specified Owner-Occupied Units % of all occupied units (limited to one-family homes on less than 10 acres and no business on property)					
less than \$5,000	69.61	57.62	56.89		
\$5,000 to \$7,499	25.87	5.23	8.92	10.8	5.74
\$7,500 to \$9,999	21.94	10.13	11.23	12.2	7.10
\$10,000 to \$14,999	19.86	12.80	12.01	11.8	8.37
\$15,000 to \$19,999	20.32	27.52	24.00	23.2	20.15
\$20,000 to \$24,999	6.47	18.83	18.31	17.8	20.28
\$25,000 to \$34,999	3.00	9.69	10.68	10.2	14.75
\$35,000 to \$49,999	2.08	9.82	9.17	8.4	14.01
\$50,000 or more	.23	4.24	3.78	3.8	6.46
	.23	1.74	1.89	1.6	3.14
Median	\$7,800.00	\$13,800.00	\$13,500.00	\$13,000.00	\$17,100.00

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
 N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #6

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

<u>Contract Rent</u>	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
Specified Renter Occupied Units					
% of all occupied units					
(excludes one-family homes on 10 acres or more)					
less than \$30	21.60	37.39	26.17		
\$30 to \$39	9.09	7.71	8.56	12.0	3.68
\$40 to \$59	9.79	7.92	8.01	9.4	3.86
\$60 to \$79	26.57	24.96	23.83	23.6	13.14
\$80 to \$99	27.27	24.85	23.69	18.1	18.52
\$100 to \$149	9.79	11.91	10.45	9.5	14.92
\$150 to \$199	2.79	13.79	11.92	12.3	25.26
\$200 to \$249	-0-	3.65	3.13	2.8	10.27
\$250 or more	-0-	.29	.31	0.4	2.57
No cash rent	-0-	.09	.12	0.2	1.96
	14.69	4.83	1.00	11.8	5.82
Median	\$58	\$65	\$63	\$59	\$89

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
 N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #7

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

All Year-Round Housing Units

	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
<u>Units in Structure</u>					
1 (includes mobile home or trailer)	95.71	72.73	85.69	88.42	72.17
2	2.78	6.77	4.37	4.67	8.04
3 and 4	-0-	6.37	3.24	2.58	5.26
5 to 49	1.52	12.74	6.07	4.30	14.52
50 or more	-0-	1.37	.64		
 <u>Year Structure Built</u>					
1969 to March 1970	2.49	1.61	3.76	4.68	3.44
1965 to 1968	13.14	6.84	11.99	12.57	9.67
1960 to 1964	6.64	8.71	13.06	13.60	11.94
1950 to 1959	15.77	17.24	18.16	22.05	21.42
1940 to 1949	9.27	14.59	14.43	15.60	12.98
1939 or earlier	52.70	51.02	38.59	31.57	40.56

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
 N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #8

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

Heating Equipment

	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
Steam or Hot Water	-0-	19.55	10.22	4.37	20.41
Warm Air Furnace	60.03	55.60	53.06	38.66	42.50
Built-in Electric Units	4.43	4.81	5.41	8.06	5.20
Floor, Wall or Pipeless Furnace	1.38	2.54	3.96	6.51	8.68
Other Means or Not Heated	34.16	17.50	27.35	42.40	23.20

Basement

All Units with Basement	63.35	77.90	64.73	23.90	53.34
One-Family Homes with Basement	60.58	60.67	56.11		

Selected Equipment

With More than 1 Bathroom	9.96	27.29	25.74	23.9	2.73
With Public Water Supply	100.00	99.13	77.82	54.42	81.68
With Public Sewer	95.71	98.00	64.33	45.32	71.18
With Air Conditioning	3.04	7.14	5.89	3.27	3.58
Room Units	2.49	4.31	3.83		
Central System	.55	2.83	2.07		

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing

N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #9

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

All Occupied Housing Units

	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
<u>Year Moved Into Unit</u>					
1968 to March 1970	28.14	27.31	28.96		
1965 to 1967	15.89	16.87	18.45		
1960 to 1964	14.98	17.66	17.64		
1950 to 1959	14.67	18.41	16.94		
1949 or earlier	26.32	18.31	18.01		
<u>Automobiles Available</u>					
1	47.66	45.34	46.33	44.90	47.71
2	24.66	25.85	31.48	32.49	29.32
3 or more	.91	3.74	4.43	5.58	5.51
none	26.78	25.07	17.76	17.02	17.47

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #10

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

Gross RentAs of Specified Renter Occupied Units
(excludes one-family homes on 10 acres or more)

	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>	<u>N.C.</u>	<u>U.S.</u>
less than \$40	-0-	5.94	5.53	21.4	7.54
\$40 to \$59	13.55	17.00	15.39	23.6	13.14
\$60 to \$79	13.55	22.40	21.43	18.1	18.52
\$80 to \$99	14.84	19.49	19.08	9.5	14.92
\$100 to \$149	30.32	22.20	21.27	12.3	25.26
\$150 to \$199	-0-	6.41	5.76	2.8	10.27
\$200 to \$249	-0-	1.21	1.33	0.4	2.57
\$250 or more	-0-	.40	.31	0.2	1.96
No cash rent	27.74	4.82	9.89	11.8	5.82
Median	\$91.00	\$82.00	\$82.00	\$59.00	\$89.00

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
N. C. Department of Natural and Economic Resources, Division of Community Assistance

TABLE #11

HOUSING CHARACTERISTICS - WOODFIN, NORTH CAROLINA

Gross Rent As Percentage of Income (All Occupied Housing Units)By IncomeSpecified Renter Occupied Units

(excludes one-family homes on 10 acres or more)

	<u>Woodfin</u>	<u>Asheville</u>	<u>Buncombe County</u>
Less than \$5,000	59.35	52.80	48.47
Less than 20%	2.58	6.73	6.95
20 to 24%	2.58	6.21	5.42
25 to 34%	9.03	10.35	9.06
35% or more	28.39	25.52	20.21
Not computed	16.77	4.00	6.83
Median	35.0+	35.0+	34.3
\$5,000 to \$9,999	29.68	31.27	35.33
Less than 20%	16.13	21.52	23.80
20 to 24%	2.58	4.50	4.97
25 to 34%	-0-	2.98	2.91
35% or more	-0-	.73	.77
Not computed	10.97	1.53	2.88
Median	13.50	16.00	15.8
\$10,000 to \$14,999	10.97	10.82	11.65
25% or more	-0-	-0-	.08
Not computed	-0-	.49	1.14
Median	-0-	12.40	12.1
\$15,000 or more	-0-	5.11	4.55
25% or more	-0-	-0-	-0-
Not computed	-0-	.25	.45
Median	-0-	10.0-	10.0-

SOURCE: U. S. Bureau of the Census, 1970 Census of Population and Housing
 N. C. Department of Natural and Economic Resources, Division of
 Community Assistance

percent of the owner occupied units are lacking some or all plumbing facilities, while Asheville (1.29 percent) and Buncombe County (4.77 percent) are considerably lower than that for the Study Area.

Value and Rent

The median value of owner-occupied dwelling units within Woodfin was \$7,800 in 1970 compared to North Carolina which was \$13,000 and \$17,100 for the nation. A total of 25.87 percent of the owner-occupied dwelling units were in the low-value bracket of less than \$5,000 and only 5.54 percent were in the high-value brackets of \$20,000 or more. (See Table #5.)

The total number of rental units within the Study Area in 1970 was 213, approximately 45.45 percent of all rentals were rented for \$59 or less. There were no units renting for \$150 or more (Table #6). The median rent for Woodfin was \$58 compared to \$89 for the total United States.

CHAPTER 3

IDENTIFICATION OF HOUSING PROBLEMS

A necessary first step toward improving the housing environment for citizens in the Town of Woodfin is a concise delineation of housing and housing-related problems. Many of these problems have been inherited when the town incorporated in 1971 and are a matter of not correcting earlier deficiencies while others have continued to worsen. The major local housing problems are included in the following analysis.

- a. Substandard housing is a major problem in Woodfin--much more of a problem than in the region, county or the Asheville metropolitan area. Within Woodfin, almost two out of every three persons live in a substandard dwelling unit. In most cases, the condition of structures appears to be getting worse.
- b. There exists in Woodfin unsanitary, unsafe, overcrowded dwelling accommodations; that there is a shortage of safe or sanitary dwelling accommodations available at rent or prices which persons of low income can afford; and such shortage forces such persons to occupy unsanitary, unsafe and overcrowded dwelling accommodations.
- c. These conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morale and welfare of the residents of the Town of Woodfin; these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention, punishment, public health and safety protection, fire and accident prevention, and other public services and utilities.
- d. These blighted areas cannot be cleared, nor can the shortage of safe and sanitary dwelling for persons of low income be relieved through the operation of private enterprise.

In addition to the general information above, several problems that can be specified are:

- (1) There is a substantial shortage of low and moderately priced rental housing.
- (2) There is a total of 611 residential structures in the study area which are substandard.
- (3) Many newer homes are becoming substandard because of improper maintenance.
- (4) The undeveloped portions of Woodfin lack public water and sewer facilities.
- (5) Between the years 1960-1970 the region had a housing unit growth rate of 27.43 percent which indicates Woodfin will need a minimum 272 additional dwelling units by 1980 to supply the market and growth demand.
- (6) Considering both the additional units needed to serve the future population and those needed to replace only the existing dilapidated structures, there will be a net demand for 449 additional sound dwelling units between the years of 1970-1980.
- (7) The existence of narrow and inadequate streets acts a detriment to private development.

CHAPTER 4

OBJECTIVES

The initial step in solving the problems and overcoming the obstacles to provide adequate standard housing in the Woodfin area is the formulation of proper and workable objectives. This section sets forth the initial attempt to outline these objectives for solving the Town's housing problems. The major overall goal concerning housing in Woodfin is to provide a safe, decent and sanitary dwelling unit in a suitable living environment for every person in the Town. The individual objectives included to accomplish this overall goal are set forth in the following sections.

Detailed Housing Plans

The next major effort for the Town of Woodfin, following this Initial Housing Element, is to prepare detailed housing plans. The purpose of the plans are to coordinate the Initial Housing Element with other planning elements to provide an in-depth evaluation of the local housing problems; to set forth housing needs, by type, for the area; and to outline specific programs, projects and other direct methods of providing the needed housing.

Greater Participation by Private Enterprise

Private enterprise is the major key to providing adequate housing in the Woodfin area. Every effort should be made to increase the participation of private developers in supplying needed additional housing units in the Town of Woodfin.

Increased Quantity and Quality of Low-and-Moderate Income Housing

The production of low-and-moderate income housing must be increased significantly, and it should be made more attractive in order to have maximum marketability.

Raise the Income of the Low-and-Moderate Income Families

With the high construction and land costs along with inflation, it is imperative that incomes be raised in order to afford new housing. This can be done by improving the local employment opportunities and education of those with low and moderate incomes. This program would take several years to implement effectively.

Utilization of Federal Housing Programs

There has not been any participation in any of the Federally-subsidized housing programs by the Town of Woodfin. With the high rate and number of substandard housing units within the study area, great emphasis should be placed on becoming familiar with and utilizing all of the applicable programs. A summary of these programs are included in the Appendix.

Make Suitable Land Available For Housing

Suitable land must be made available for housing, particularly for low-and-moderate income families. This includes both redevelopment of existing sites and making the outlying sites suitable for housing.

CHAPTER 5

OBSTACLES TO HOUSING DEVELOPMENT

The obstacles encountered in providing housing, particularly for low-and-moderate income families, are numerous and their accumulation has produced a situation which has reached serious proportions in the Woodfin area. These obstacles are compounded by the lack of communication and coordination among all agencies (both public and private) involved in the housing business. Many of these are minor and can be eliminated with proper communication, while others are much more complex and will require extensive work and coordination.

The obstacles will generally fall within three broad categories: (1) governmental, (2) private enterprise, and (3) people.

Governmental

Obstacles which result from the lack of effective local, state and Federal policies need to be re-evaluated. The public agencies need to be more responsive to constructive, new and creative developmental controls.

The major impediments found in the Woodfin area are as follows:

Inadequate Developmental Controls. Woodfin has adopted building codes, a zoning ordinance and is in the process of developing subdivision regulations and a sign ordinance. They are not over-restrictive and allow mobile homes on individual lots in two of the three residential district classifications. It is within the City of Asheville that the over-restrictive zoning ordinance causes the influx of low-and-moderate income families and their mobile homes to flow into Woodfin. Asheville does not permit mobile homes except in a mobile home park.

Instead of becoming more restrictive as a reaction, the Town of Woodfin is developing amendments to ease a few of the high cost restrictions which are difficult for the low income families to comply with. The Town of Woodfin does not

have Minimum Housing Codes and a Mobile Home Ordinance. Both should be given immediate consideration.

Inadequate Housing Data. In general, there is a lack of comprehensive housing data since the 1960 Census. Hopefully, much of this problem will be resolved by the 1980 Census of Housing. Because Woodfin did not incorporate until 1971 which was after the 1970 Census of Housing and therefore, the housing survey taken in 1973 does not exactly match the figures presented in the Bureau of the Census publications.

Lack of Coordination Among Agencies. While many agencies, both public and private, are extremely interested in housing, there is no coordination of authority at the decision-making level among them. There is no agency with the necessary powers and responsibility to tie them all together.

Lack of Incentives to Local Developers. Local governments in the area are making little or no effort to support the local developers in helping to solve the local housing supply problems. At present in the Town of Woodfin, there are no tax incentives or rebates or any other compensation allow to developers who provide low-and-moderate income housing.

Staff Shortage. The degree of enforcement necessary to bring about a substantial improvement in the local housing inventory has not been attained. This is due partially to the short time since zoning and building codes were adopted and partially to staff shortage. It would be desirable to have full-time staff with the responsibility of code enforcement and for compiling housing data on a comprehensive and coordinated basis.

Lack of Adequate Transportation. Housing in the Woodfin area is generally inaccessible by public transportation to the major employment areas and to the central shopping facilities. People in Woodfin must rely on costly private transportation.

Restrictive Eligibility Requirements of the Federal Insuring Agencies. While the eligibility requirements of the Federal insuring organizations have been more lax in recent years, they are still much too restrictive to be of assistance to the needy families. Low-and-moderate income families with previous credit problems and other personal difficulties are often ruled ineligible to obtain an insured loan. This greatly restricts the number of people who can obtain loans to construct their own housing, particularly among the low-and-moderate income groups.

People

Some of the obstacles which add to the local housing problems are caused by the very people who are in need of decent housing. The primary problems of the needy potential consumers are as follows:

Lack of Knowledge. Many of the people who are in need of housing, particularly the low-and-moderate income families, have little or no knowledge of how to obtain sound housing. Most do not understand the extensive red tape and administrative problems included in the programs that could possibly provide sound housing within their economic means.

Inadequate Income. Most of the people in greatest need of housing cannot afford to pay the high land and construction prices for new conventional housing. While more housing is being placed in the reach of lower income citizens by the Federally subsidized programs, there exists in the Town of Woodfin, a large number of people who cannot afford low-rent public housing, even if it were made available.

Other Personal Problems. In addition to lack of knowledge and low incomes, many Woodfin people have additional personal problems that prevent them from obtaining standard housing. These usually involve those people with poor health, the elderly, those with bad credit rating, or those who do not place standard housing as a major element in their restricted budgets.

Resistance to Move From Locality. The majority of the people, particularly low-and-moderate income families, seeking housing will not consider looking outside their community or neighborhood.

Private Enterprise

Private enterprise should continue to play the major role in solving the local housing problem. However, at present, many obstacles have combined to seriously hinder the development of standard local housing. Some of the primary obstacles, as they relate to the local housing are as follows:

High Land and Construction Cost. Available land is increasing in cost in the Woodfin area and this makes the development costs generally too high for the construction of low-and-moderate income housing. The cost of construction has also increased significantly in recent years. It is a known fact that the cost of materials has jumped excessively and places new housing beyond the reach of most low-and-moderate income families. Because of these high land and construction costs, most builders find it uneconomical to construct housing below the \$18,000 to \$20,000 range or to build apartments that rent for less than \$125 per month.

Shortage of Suitable Land. There is a definite shortage of suitable land for housing in the Woodfin area, particularly for the low-and-moderate income housing. The "open" land is generally without the needed community facilities and public improvements. While these facilities are needed for all development, they are even more critical for low-and-moderate income housing.

"Tight" Money. The current national financial situation also presents one of the major obstacles to the provision of standard housing in the Woodfin area. It is not only the limited supply of money, but it is also the high cost of housing construction which is particularly critical in low-and-moderate income housing. As proven in many communities, money is too costly to finance low-and-moderate income housing even with a guaranteed Federal rent for a twenty-year period.

Lack of Mass-produced Housing. Local leaders and agencies are not yet convinced that mass-produced housing of the modular or prefabricated type is adequate to meet the long-range housing demands. However, modern approaches to the modular concept which have proven to be effective in other areas are starting to become acceptable. As the availability of building land increases through better coordination of public and private agencies, we can anticipate local mass-produced housing in the area.

CHAPTER 6

IMPLEMENTING PLANS AND ACTION

The major problems and obstacles to providing adequate housing in the Woodfin area have been outlined in the preceding sections. Also, several comprehensive and detailed objectives have been set forth to indicate how to provide for the local housing needs. The purpose of this section is to set forth a definite action program that will carry out the objectives in order to overcome the major problems and obstacles to the goal of securing suitable housing for all local families. The major implementing actions considered in this section are as follows:

- (1) Organize and sponsor local information meetings on housing. The best avenue for dispersing this educational process would probably be through the Community Center Organization;
- (2) Establish a Housing Development Service;
- (3) Provide support for qualified developers to construct housing for low-and-moderate income families;
- (4) Prepare a detailed Woodfin Housing Plan;
- (5) Prepare a Mobile Home Study;
- (6) Form a Housing Authority or Redevelopment Commission;
- (7) Establish a Minimum Housing Code;
- (8) Continue and expand the local concentrated code enforcement program;
- (9) Provide the mechanism for better citizen information and assistance relating to low-and-moderate income housing;
- (10) Undertake a housing-site-survey analysis;
- (11) Encourage renewal activity where it would improve the local housing condition and supply;
- (12) Provide adequate facilities, roads, and services to potential housing sites;

- (13) Set forth positive means of securing the estimated fifty new housing units needed annually.

APPENDICES

Department of Housing and Urban Development

Financing Mobile Home Park Sites

Developed sites are needed for most of the estimated 400,000 mobile homes now produced and sold each year. Most buyers of mobile homes want to rent spaces connected to utilities in parks with neighborhood conveniences. Shortages of such spaces have developed as sales of mobile homes have risen sharply.

Congress acted in 1969 to help meet the need. It amended an older housing law to make it easier for private developers to finance sites for mobile home parks. The changes permit the building of larger parks with more neighborhood facilities.

The law allows government-insured mortgages of up to \$1 million per park development and \$2,500 maximum per space within each park. In high-cost areas, these two maximums may be 45 percent higher--\$1,450,000 per park and \$3,625 per space. In either case, the maximum permits developers to design parks for as many as 400 mobile homes.

The mortgages may extend for terms up to 40 years and may cover up to 90 percent of appraised value of the site.

The insurance program is administered by the Federal Housing Administration of the U.S. Department of Housing and Urban Development. Mortgages can be approved in each of the insuring offices listed in the leaflet.

Mortgage Amounts and Conditions

FHA will insure qualified mobile home park mortgages applied for by an FHA-approved mortgage lender on behalf of a park developer. The mortgage may cover a new park or the rehabilitation of an existing park.

The maximum insurable loan may equal the lesser of:

- (a) \$1 million (\$1,450,000 in high-cost areas).
- (b) 90 percent of FHA's estimate of value of the park site after construction of improvements, assuming that the land is held in fee simple.
- (c) \$2,500 per home space (\$3,625 in high-cost areas).

The mortgage term may be up to 40 years but not appreciably in excess of three-fourths of the estimated remaining economic life of the project. Also 90 percent of the park's net income must be sufficient to meet the mortgage requirements.

The maximum interest rate will be the FHA rate in effect at the time the mortgage is insured (7 percent as of February 1971). The mortgagor will pay a one-half of one percent mortgage insurance premium.

FHA Feasibility Analysis

Through an underwriting analysis FHA determines whether the project is economically sound. The net income expectancy must be sufficient to meet debt service and equity requirements.

FHA will examine the sponsor's management capability to undertake the development and operation of the park, as well as financial capability to provide the required working capital.

Property Standards

The park site must be planned for a sufficient number of mobile home spaces to ensure profitable operation under normal conditions.

There must be an automobile parking space for each home space.

The land must be held in fee simple or under a leasehold of at least 75 years.

The park must contain such public utilities and neighborhood amenities as will make the property permanently attractive, in comparison with other residential developments in the community.

The property must meet the intent of the FHA Mobile Home Court Development Guide. Copies of the current guide (FHA G 4200.7) may be obtained from the FHA insuring offices.

Application Procedures

Developers seeking FHA mortgage assistance should discuss their application plans with the FHA office serving the area where the park will be located. At a preliminary meeting, the developer can determine the steps he should take to meet FHA requirements.

Applicants should meet with FHA officials as early as possible. Guidance obtained early can sometimes eliminate large costs involved in preparing exhibits, setting up budgets, and the like.

After FHA's feasibility analysis, an application for conditional or firm commitment is submitted by an FHA-approved lender willing to make the insured mortgage loan. The application fee will total \$3.00 per \$1,000 of the face amount of the mortgage loan.

FHA regulations require adherence to prevailing wage requirements on all construction work. There must be no discrimination against any employee, or any job applicant, because of race, color, creed, or national origin. The mortgagor cannot, as a condition of occupancy, require a renter to buy a mobile home from a specific dealer or manufacturer. Nor can tenants be excluded by reason of their ages or family compositions.

Zoning

It is desirable to locate mobile home parks in residential areas rather than in commercial or industrial districts. Sites should not be located near swamps or other places where insects and pests may breed or near noisy and odorous manufacturing plants.

Zoning must be permissive. Park developers must assure that the park will not violate any State or local regulation regarding land use, water supply and sewage disposal.

The program described in this bulletin is provided under Section 207 of the National Housing Act. It is administered by the Assistant Secretary for Housing Production and Mortgage Credit, who is also FHA Commissioner.

Equal Opportunity in Housing

Racial discrimination in housing of any kind, including parks for mobile homes, is a violation of the Civil Rights Act of 1866. In addition, the Civil Rights Act of 1968 contains a Fair Housing Law (Title VIII) which established fair housing as the policy of the United States. This law prohibits discrimination on the basis of race, color, creed and national origin.

Persons complaining of discrimination in housing have a choice of remedies including filing a civil action in Federal court (or in some cases State courts), or complaining to HUD.

APPENDIX B

HUD/FHA NON-ASSISTED PROGRAM FOR CONDOMINIUM HOUSING

U.S. Department of Housing and Urban Development Fact Sheet

SECTION 234 NATIONAL HOUSING ACT WHAT IS IT

The Federal Housing Administration insures mortgages obtained by investors to finance construction or rehabilitation of housing projects of four or more single-family units.

Later the individual units in such projects are released from the blanket mortgage, sold to individual owners, and financed separately. The single units, when sold, may be financed by the buyers with HUD/FHA-insured or non-HUD/FHA mortgages; or a buyer may purchase on an all-cash basis without a mortgage if he chooses to do so.

ELIGIBLE PROJECTS

Projects containing four or more units of detached, semi-detached, row, or walk-up or elevator type multifamily structures.

Projects may vary widely in layout, size and design, depending on the type of market to be served.

May include non-dwelling commercial--must be predominantly residential.

May be new or rehabilitated structure.

ELIGIBLE MORTGAGORS

Individuals, partnerships, corporations, or other legal entities approved by HUD.

PROJECT MORTGAGE LIMITS

Lesser of the following:

90 percent of HUD/FHA estimate of cost.
The sum of the per unit limit under Section 234.

FINANCING

HUD/FHA-approved private lending institution.

FAMILY UNIT REQUIREMENTS

Whether the project is new or existing, sale to condominium buyers can be made only after HUD/FHA has processed the case and found the plan of condominium ownership acceptable.

All planned construction must be completed.

Units amounting to 80 percent of the value of all units must have been sold to HUD/FHA approved buyers.

The mortgage on a family unit must be a first mortgage.

One person may own as many as four units financed with HUD/FHA-insured mortgages, provided he lives in one of them. It is not required that all of the unit mortgages be HUD/FHA-insured. Some of the unit mortgages may be financed conventionally, and others purchased for cash.

FAMILY UNIT MORTGAGE LIMITATIONS

The mortgage amount cannot exceed \$45,000. The amount is further limited as follows:

- a. Based on the HUD/FHA value of the family unit, including common areas and facilities, it cannot exceed 97 percent of the first \$25,000, plus 90 percent of the next \$10,000, plus 80 percent of the value above \$35,000 for an owner-occupant.
- b. For a unit owned by a person who does not live in it, the mortgage amount cannot exceed 85 percent of the amount computed for an owner-occupant.

The maximum interest rate is variable. The HUD/FHA mortgage insurance premium is 1/2 of 1 percent a year on decreasing principal balances, without taking into account prepayments or delinquencies.

CHARACTERISTICS OF UNIT OWNERSHIP

The extent of interest that the owner of a living unit has in the common areas and facilities is governed by the ratio of value of his unit to the total value of all the units. This ratio also represents his voting interest in the condominium owners' association. Along with the owners of other units in the project, he has the right to use the common areas and facilities and the obligation to maintain them. The owners make monthly contributions to the condominium association covering their proportionate share of the cost of maintaining these common areas and facilities.

APPENDIX C

HUD-FHA ASSISTED PROGRAM FOR THE RENT SUPPLEMENT PROGRAM

WHAT IT IS

Privately built housing for low-income families and individuals eligible for public housing and who are either displaced by governmental action, 62 years of age (or older), physically handicapped, living in substandard housing, or who unit was damaged or destroyed by natural disaster.

Provides assistance in the form of monthly Federal payment to owner in behalf of low-income tenants.

ELIGIBLE PROJECTS

Only new housing projects or existing ones involving major rehabilitation.

Five or more units--detached, semi-detached, row walk-up, or elevator structures.

Modest design suitable to the market and location.

Must be built in conformity with FHA minimum property standards.

Regulated by FHA rents, rate of return, methods of operation, rent supplement payment.

Must be either part of a workable program for community improvement or have local official approval.

ELIGIBLE SPONSORS AND MORTGAGORS

Private non-profit organization, limited dividend mortgagor, or cooperative housing corporation.

Consideration given to qualifications of sponsors--character, integrity, motivation, past successful participation in housing, demonstrable interest in this type of housing, recognition of continuing responsibility, financial ability, capacity to provide competent management.

PROJECT MANAGEMENT

Success depends on competent project management.

Housing owner expected to assist tenants in application preparation.

Management has fiscal responsibilities--monthly statements, re-certification of incomes.

Management program must be approved by FHA at least 30 days prior to initial endorsement.

FINANCED BY

Private lenders (mortgagees eligible for purchase by FNMA).

MORTGAGE LIMITS

Limits and terms applicable to Section 221 (d)(3).

Maximum amount--not in excess of \$12,500,000.

Mortgage term--40 years or 3/4 of economic life of property.

Repayment--level annuity monthly plan (equal monthly payments to principal and interest).

HOW ONE BEGINS

Preliminary conference with FHA--identifying locality, general site, proposed type and number of living units, need for housing, type of people to be served, plans for management.

If project appears feasible--sponsor will be asked to submit for pre-application analysis.

Pre-application analysis and other forms and exhibits will not be executed until sponsor has been advised that rent supplement funds have been allocated.

Favorable decision resulting from pre-application analysis will result in formal request for rent supplement funds.

Formal application will be invited (accompanied by required fee).

ABOUT THE TENANTS

Eligible tenants described in opening paragraph.

Income limits must be within those of public housing locally.

Total assets cannot exceed \$2,000 unless applicant is 62 years or older, in which case assets may total \$5,000 (personal property excluded).

Supplement for any tenant may not exceed 70% and must represent at least 10% of the FHA-approved rent for the unit.

Must enter into lease with housing owner.

RENT SUPPLEMENT AMOUNT

Difference between 25% of gross income and FHA-approved rental for unit represents rent supplement amount.

Re-certification of income required yearly (except for elderly).

FHA insuring office will negotiate rent supplement contracts.

It will provide that repayment of rent supplements for eligible tenants will be made monthly, by voucher initiated by housing owner.

APPENDIX D

HUD/FHA NON-ASSISTED PROGRAM FOR RENTAL HOUSING IN URBAN RENEWAL AREAS

SECTION 220, NATIONAL HOUSING ACT WHAT IT IS

A program to finance the construction or rehabilitation of rental housing projects containing 2 or more units in urban renewal areas.

Provides rental units for moderate-or-middle income families.

ELIGIBLE PROJECTS

Project must be located in an urban renewal or code enforcement area.

Units may be detached, semi-detached, or row houses, or walk-up or elevator-type multi-family structures designed primarily for residential use.

Projects may vary widely in layout, size, and design, depending on the type of market to be served.

Must be built in conformity with HUD/FHA Property Standards.

HUD/FHA will regulate rents, rate of return and methods of operation.

PROPERTY REQUIREMENTS

The project must be located on real estate held:

- (a) In fee simple.
- (b) On a leasehold for not less than 99 years, or having a period of 50 years to run from the date the mortgage is executed.
- (c) Leasehold for 50 years, provided the lessee is a government agency, Indian, or Indian tribe.

FINANCING

HUD/FHA approved private lending institutions. (Mortgages eligible for purchase by FNMA)

TENANT OCCUPANTS

No income requirements,

No restrictions due to race, creed, color or age of the prospective tenant or the composition of his family.

No unit may be rented for a period of less than 30 days.

MORTGAGE LIMITS

The maximum mortgage cannot exceed the lesser of:

- (1) 90 percent HUD/FHA's estimate of replacement cost.
- (2) For such part of the property or project attributable to dwelling use an amount per family unit, depending on the number of bedrooms which may be:

	Non-elevator	Elevator Structure
0-BR	\$13,000	\$15,000
1-BR	18,000	21,000
2-BR	21,500	25,750
3-BR	26,500	32,250
4 or more BR	30,000	36,465

The sums mentioned in (3) above may be increased by up to 45 percent in high cost areas.

Mortgage term is limited to 40 years.

Maximum interest rate is variable.

Repayment--level annuity monthly plan (equal monthly payments to principal and interest).

HOW SPONSOR SHOULD PROCEED WITH ACCOMPANYING FEES AND CHARGES

The initial processing stage is Site Appraisal and Market Analysis (SAMA). SAMA Application is made on Form 2013, and must be accompanied by a fee of \$1.00 per \$1,000.00 of mortgage amount requested.

If the proposal is worthy of further study and consideration the applicant will receive a "Site Appraisal and Market Analysis Letter," expressing the "land use intensity" number, land value, understanding as to project characteristics including type of unit size (sq. ft.) number and market rental.

An application for Conditional Commitment, based on the findings expressed in the SAMA letter must be accompanied by an additional fee of \$1.00 per \$1,000.00 of the mortgage amount requested. The application fee of \$1.00 and the Conditional Commitment fee of \$1.00 will be credited to the Application-Commitment fee of \$3.00 per \$1,000.00 of the mortgage amount requested.

In addition to the \$3.00 aggregate of fees for commitment, there will be an inspection fee of \$5.00 per \$1,000.00 of the Commitment amount.

Mortgage insurance premium is collected advance at a rate of 1/2 of 1 percent of the mortgage amount.

Mortgage service charge not to exceed 2 percent of mortgage amount.

FNMA-1 1/2 percent of mortgage amount.

APPENDIX E

HUD/FHA NON-ASSISTED PROGRAM FOR RENTAL HOUSING FOR MODERATE INCOME FAMILIES

U.S. Department of Housing and Urban Development Fact Sheet

SECTION 221(d) (4) NATIONAL HOUSING ACT WHAT IT IS

A program designed to aid in providing housing for families of moderate income.

ELIGIBLE PROJECTS

Projects containing 5 or more units of detached, semi-detached, row, or walk-up or elevator-type multi-family structures, designed primarily for residential use in conformance with HUD/FHA Property Standards.

Projects may vary widely in layout, size, and design, depending on the type of market to be served.

HUD/FHA will regulate rents, rate of return and methods of operation.

Family income limits are not a condition for occupancy.

This program provides a 10 percent Builder's and Sponsor's Profit and Risk allowance.

Not limited to new construction--considered appropriate for the rehabilitation of projects.

ELIGIBLE MORTGAGORS

Individuals, partnerships, corporations, or other legal entities approved by the Commissioner, excluding nonprofit, limited dividend, cooperative, and public mortgagors.

PROPERTY REQUIREMENTS

The project must be located on real estate held:

- (a) In fee simple.
- (b) On a leasehold for not less than 99 years, or having a period of 50 years to run from the date the mortgage is executed.
- (c) Leasehold for 50 years, provided the lessor is a government agency, Indian, or Indian tribe.

FINANCING

HUD/FHA approved private lending institution. (Mortgages eligible for purchase by FNMA)

TENANT OCCUPANTS

No income requirements.

No restrictions due to race, creed, color or age of the prospective tenant or the composition of his family.

MORTGAGE LIMITS

The maximum mortgage cannot exceed:

- (1) 90 percent HUD/FHA estimate of the replacement cost of the project:
- (2) For such part of the property or project attributable to dwelling use an amount per family unit, depending on the number of bedrooms which may be within the dwelling:
Elevator type:

\$13,975	no bedroom
\$20,025	one-bedroom
\$24,350	two-bedroom
\$31,500	three-bedroom
\$34,578	four-bedroom or more

All other types:

\$12,300	no bedroom
\$17,188	one-bedroom
\$20,525	two-bedroom
\$24,700	three-bedroom
\$29,038	four-bedroom or more

The sums mentioned in (2) above may be increased by up to 45 percent in high cost areas.

Mortgage term is limited to 40 years.

Maximum interest rate is variable.

Repayment--level annuity monthly plan (equal monthly payments to principal and interest).

HOW SPONSOR SHOULD PROCEED

Preliminary conference with HUD area or insuring office

If project appears feasible sponsor will be asked to submit application (FHA Form 2013) for site appraisal and market analysis (SAMA).

After analysis HUD/FHA will establish a land use intensity number, the value of the site fully improved, this type of project, the number, the size and the pro-

posed composition of the units, and the unit rents and issue a SAMA letter to the sponsor.

Sponsor then submits an application with fee and exhibits, for a conditional commitment.

After the final submission is made by the sponsor in compliance with the established guidelines a firm commitment will be issued.

FEES AND CHARGES

1. HUD/FHA

SAMA stage \$1.00 per thousand of mortgage amount applied for application for conditional commitment must be accompanied by an additional fee of \$1.00 per \$1,000 of the mortgage amount requested. The SAMA application fee of \$1.00 and the conditional commitment fee of \$1.00 will be credited to the total application-commitment fee of \$3.00 per \$1,000.

inspection fee, \$5.00 per thousand dollars of commitment amount

mortgage insurance premium, first premium collected in advance at rate of 1/2 of 1 percent of the mortgage amount.

2. Mortgagee

service charge, not to exceed 2 percent of mortgage amount.

3. FNMA

1 1/2 percent of mortgage amount.

ADMINISTERING OFFICE

Assistant Secretary for Housing Production and Mortgage Credit-FHA Commissioner

INFORMATION SOURCE

HUD Area Office or HUD/FHA Insuring Office.

APPENDIX F

HUD/FHA NON-ASSISTED PROGRAM SECTION 231
HOUSING FOR THE ELDERLY AND HANDICAPPED

U.S. Department of Housing and Urban Development
Fact Sheet

SECTION 231
WHAT IT IS

A program to aid in development of rental housing for occupancy by elderly or handicapped families or individuals.

An elderly person is defined as one who is age 62 or over. A handicapped person is one whose impairment (a) is expected to be of continued and indefinite duration; (b) substantially impedes his ability to live independently; and (c) is such that his ability to live independently could be improved by more suitable housing. A person shall also be considered handicapped if such person is a developmentally disabled individual as defined in section 102(5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1950.

ELIGIBLE PROJECTS

Projects containing eight or more units of detached, semi-detached, row, walk-up or elevator type multi-family structures designed primarily for residential use in conformance with HUD Property Standards for housing the elderly and handicapped. All local codes and zoning requirements must be met.

Projects may vary widely in layout, size, and design, depending on the type of market to be served.

HUD will regulate rents, rate of return and methods of operation.

Project must involve either new construction or rehabilitation.

This program provides a 10 percent builder's and sponsor's profit and risk allowance to profit-motivated sponsors.

SUBSIDY PAYMENTS

If project is owned by a nonprofit mortgagor, eligible tenants may receive rent supplement assistance. Such assistance available only in certain projects as rent supplement program is under suspension.

ELIGIBLE MORTGAGORS

Individuals, partnerships, corporations including non-profits or other legal entities approved by the FHA Commissioner.

PROPERTY REQUIREMENTS

The project must be located on real estate held:

- (a) In fee simple.
- (b) On a leasehold for not less than 99 years, or having a period of 75 years to run from the date the mortgage is executed.
- (c) On a leasehold for 50 years provided the lessor is a government agency, Indian, or Indian tribe.

Projects may contain central dining and other congregate facilities; units need not contain kitchens.

FINANCING

FHA approved private or public institutions. (mortgages eligible for purchase by FNMA or GNMA).

TENANT OCCUPANTS

No income requirements, except in the case of persons receiving rent supplement assistance.

No restrictions due to race, creed, color, national origin or sex.

Project must be designed for elderly or handicapped and they must be given priority in occupancy, but nonelderly or nonhandicapped may occupy units in the project.

LIMITS PER FAMILY UNIT

Elevator type building:

\$13,975 no bedroom
20,025 one-bedroom
24,350 two-bedroom
31,500 three-bedroom
34,578 four-bedroom or more

All other types:

\$12,300 no bedroom
17,188 one-bedroom
20,525 two-bedroom
24,700 three-bedroom
29,038 four-bedroom or more

In areas where cost levels so require, limits per family unit may be increased up to 45 percent.

BASIS FOR CALCULATING THE LOAN

Nonprofit mortgagor: 100 percent of estimated replacement cost of the project.

Profit mortgagor: 90 percent of estimated replacement cost.

Mortgage term is limited to 40 years of 3/4 of remaining economic life, whichever is less.

The current maximum interest rate is 8 percent.

Amortization is via the level annuity monthly payment plan (equal monthly payments to principal and interest).

HOW SPONSOR SHOULD PROCEED (including information on fees and charges)

Preliminary conference with HUD area or HUD/FHA insuring office--identifying locality, general site, type of project contemplated, amenities to be offered, number of units and rents to be charged.

The initial processing stage is Site Appraisal and Market Analysis (SAMA). SAMA application is made on Form 2013, and must be accompanied by a fee of \$1.00 per \$1,000.00 of mortgage amount requested.

If the proposal is worthy of further study and consideration the applicant will receive a "Site Appraisal and Market Analysis Letter," expressing the "Land use intensity" number, land value, understanding as to project characteristics including type of unit size (sq. ft.) number and market rents.

An application for conditional commitment, based on the findings expressed in the SAMA letter, must be accompanied by an additional fee of \$1.00 per \$1,000.00 of the mortgage amount requested. The application fee of \$1.00 and the conditional commitment fee of \$1.00 will be credited to the application-commitment fee of \$3.00 per \$1,000.00 of the mortgage amount requested.

In addition to the \$3.00 aggregate of fees for a commitment, there will be an inspection fee of \$5.00 per \$1,000.00 of the commitment amount.

Mortgage insurance premium is collected in advance at a rate of 1/2 of 1 percent of the mortgage amount.

Mortgage service charge not to exceed 2 percent of mortgage amount.

FNMA-1 1/2 percent of mortgage amount.

APPENDIX G HUD/FHA PROGRAM FOR HOME MORTGAGE INSURANCE

U.S. Department of Housing and Urban Development Fact Sheet

SECTION 203(b) HOME MORTGAGE INSURANCE

Section 203(b) of the National Housing Act provides a program of mortgage insurance to assist homebuyers in the purchase of new and existing one-to-four family dwellings. It is the basic and most commonly used HUD/FHA program. Properties must meet all applicable standards of HUD/FHA's Minimum Property Standards, but there are no special qualifications for borrowers. Any individual that has a good credit record and can demonstrate the ability to make the required investment and the payments on the mortgage can be approved. This program, as well as HUD/FHA's other single-family mortgage insurance programs, are available for use in all areas, both rural and urban provided a market exists for the property and it meets HUD/FHA's Minimum Property Standards.

MORTGAGE LIMITS

	Section 203(b)
Single-family homes	\$45,000
Two-family homes	\$48,750
Three-family homes	\$48,750
Four-family homes	\$56,000

LOAN-TO-VALUE RATIOS

Within the above limits, the following ratios are applied to the sum of either HUD/FHA's or VA's estimate of the value of the property and HUD/FHA's estimate of the closing costs. This permits the buyer to include a portion of his closing costs in his mortgage.

OCCUPANT MORTGAGORS

Plans approved by HUD/FHA or VA prior to construction or dwelling completed more than one year on date of application. Plans not approved by HUD/FHA or VA prior to construction and construction completed less than one year on date of application.

Veteran	Non-Veteran		Veteran	Non-Veteran
100% (\$200)	97%	first \$25,000	90%	90%
90%	90%	next \$10,000	90%	90%
85%	80%	over \$35,000	85%	80%

(The special terms for veterans are available only for the purchase of single-family homes by those who have been certified by HUD-VA as eligible. Qualifications are less stringent than those for eligibility under the VA home loan programs, and there is no limit on the number of times an eligible veteran can use his eligibility in HUD/FHA programs.)

MORTGAGE TERM

30 years

OPERATIVE BUILDERS

HUD/FHA may issue firm commitments in the name of the builder. If the mortgage is ultimately insured in the builder's name, however, the mortgage amount is limited to 80% of the estimate of value and the mortgage term is limited to 20 years.

APPLICATION FEES

Though fees are under review for possible changes, the current fees are \$50 for proposed construction, \$40 for existing construction, and \$15 when property is approved by VA and a Certificate of Reasonable Value is presented to HUD/FHA.

SECTION 221 (d)(2) HOME MORTGAGE INSURANCE

Section 221(d)(2) of the National Housing Act provides mortgage insurance for the purchase of homes by families displaced by government action and by low-and moderate-income families in general. Properties must meet all applicable standards of HUD/FHA's Minimum Property Standards. The lower mortgage limits available under this program generally limit the use of the program to families with lower incomes, but there are no specific income requirements for eligibility. The program can also be used to finance rehabilitation and substandard properties.

MORTGAGE LIMITS

	Standard Limits	High-Cost Areas
Single-family homes	\$21,600	\$25,200
(Families of 5 or more)	\$25,200	\$28,800
Two-family homes	\$28,000	\$36,000
Three-family homes	\$38,880	\$46,080
Four-family homes	\$47,520	\$54,720

The limits for high-cost areas shown above are available only in those areas in which construction costs are such that suitable housing cannot be constructed within the standard limits. This determination is made by HUD/FHA, and limits are established separately for each area. The limit may be less than the above high-cost area limits, but they will never be lower than the standard units.

LOAN-TO-VALUE RATIOS (Subject to the Limits Above)

Plans approved by HUD/FHA or VA prior to construction or dwelling completed more than one year on date of application:

Displaced Families: Appraised value and closing costs, or appraised value, closing costs, or appraised value, closing costs and prepaid expenses minus \$200 per unit, whichever is less.

Others: For a one-unit dwelling, appraised value and closing costs, or 97% of appraised value, closing costs and prepaid expenses, whichever is less. For a two-to-four unit dwelling, 97% of first \$25,000 appraised value and closing costs, 90% of next \$10,000 appraised value and closing costs, and 80% of appraised value and closing costs over \$35,000.

Plans not approved by HUD/FHA or VA prior to construction and completed less than one year on date of application:

Others: 90% of the first \$35,000 of appraised value and closing costs, and 80% of appraised value and closing costs in excess of \$35,000.

Displaced Families: Appraised value and closing costs, or appraised value, closing costs and prepaid expenses minus \$200 per unit, whichever is less.

Operative Builders: 80% of appraised value and closing costs. Under this program, an operative builder can qualify for a mortgage in the full amount available to an owner-occupant if the property is to be sold to an owner-occupant under an approved lease-option agreement which provides for equity accumulation.

REHABILITATION

Displaced Families: Appraised value before rehabilitation, closing costs and estimated cost of rehabilitation; or appraised value after rehabilitation, closing costs and prepaid expenses minus \$200, whichever is less.

Others: Appraised value before rehabilitation, closing costs and estimated cost of rehabilitation; or appraised value after rehabilitation and closing costs; or 97% of appraised value after rehabilitation, closing costs and prepaid expenses, whichever is less.

Operative Builders: Least of 80% of appraised value after rehabilitation and closing costs; or 80% of sum of purchase price or appraised value before rehabilitation (whichever is less), estimated cost of rehabilitation, and closing costs. See also the note above concerning sales under lease-option plans.

MORTGAGE TERM

30 years

APPLICATION FEES

\$50 proposed, \$40 existing.

APPENDIX H

HUD-FHA PROGRAM FOR UNSUBSIDIZED COOPERATIVE HOUSING

SECTION 213, SECTION 221(d)(3) (MARKET RATE), NATIONAL HOUSING ACT WHAT IT IS

Mortgages on cooperative housing projects which require no assistance or subsidy may be insured under the provisions of Section 213 or 221(d)(3) (Market Rate) of the National Housing Act. These are market interest rate programs. No income limitations are imposed on the members of these cooperatives.

ELIGIBLE PROJECTS

Five or more units--detached (need not be contiguous), semi-detached, row, elevator.

Section 221(d)(3) (Market Rate): new, or rehabilitated structures.

Section 213, new, existing, or rehabilitated structures: may include non-dwelling commercial--must be predominantly residential.

Must be built in conformity with FHA minimum property standards.

ELIGIBLE SPONSORS AND MORTGAGORS

Pre-sold Management Type cooperative corporations which restrict occupancy to the members of the cooperative. (Sections 213 and 221)

Investor Sponsored Type developed by a profit corporation which has certified that it intends to construct the project and sell it to a cooperative within two years after completion of construction.

Nonprofit Sponsored Type developed by a properly motivated nonprofit group intended for transfer to cooperative ownership after completion of construction and sale of the necessary cooperative memberships. The nonprofit sponsor must meet all requirements for nonprofit sponsorship and must demonstrate that the project will be operated successfully as a nonprofit renter project in the event the project is not successfully marketed on a cooperative basis. (Section 221)

PROCEDURES FOR SPONSOR

The sponsor of a proposed cooperative project should discuss the proposal with the local HUD/FHA insuring office. If the FHA feasibility findings are favorable, the sponsor will submit an application, along with the required fee and exhibits, through an approved lender. The application is for insurance of a blanket mortgage to cover the entire project.

FINANCED BY

Private lenders (mortgages eligible for purchase by FNMA)

MORTGAGE LIMITS--Lesser of the following:

Section 213--\$20,000,000 (\$25,000,000 in the case of public mortgagor)

Section 221--\$12,500,000

Section 213--97% of FHA estimate of cost

Section 221--100% of FHA estimate of cost

(Investor Sponsor Mortgagor under both 213 and 221 may obtain a 90% mortgage which is increased to the above limits upon sale to cooperative mortgagor)

The sum of the per-unit limit under the appropriate section of the National Housing Act.

COOPERATIVE PROCEDURES

The members of a cooperative elect their own board of directors. The board of directors decides matters that concern management and maintenance of the project; but the management must meet standards of the lender and of FHA. The success of a cooperative depends on experienced and stable management.

Each member pays to the cooperative a monthly carrying charge equal to his share of the sum required by the cooperative to meet expenses. Since operating costs may vary from time to time, the monthly charges paid by members may be adjusted up or down to reflect such changes.

SUBSIDIZED COOPERATIVE PROGRAMS

Families and individuals who cannot afford to live in a cooperative without some form of assistance may be eligible for assistance under the HUD Rent Supplement Program; or they may be eligible for membership in a subsidized cooperative having a mortgage insured under Section 236 of the National Housing Act. Such members must be within prescribed income limits.

APPENDIX I

HUD-FHA NON-ASSISTED PROGRAM FOR RENTAL HOUSING FOR MODERATE INCOME FAMILIES

SECTION 221(d)(4) NATIONAL HOUSING ACT WHAT IT IS

A program designed to aid in providing housing for families of moderate income.

ELIGIBLE PROJECTS

Projects containing 5 or more units of detached, semi-detached, row, or walk-up or elevator-type multi-family structures, designed primarily for residential use in conformance with FHA Property Standards.

Projects may vary widely in layout, size, and design, depending on the type of market to be served.

FHA will regulate rents, rate of return and methods of operation.

Family income limits are not a condition for occupancy.

This program provides a 10 percent Builder's and Sponsor's Profit and Risk allowance.

Not limited to new construction--considered appropriate for the rehabilitation of projects.

ELIGIBLE MORTGAGORS

Individuals, partnerships, corporations, or other legal entities approved by the Commissioner, excluding nonprofit, limited dividend, cooperative, and public mortgagors.

PROPERTY REQUIREMENTS

The project must be located on real estate held:

- (a) In fee simple.
- (b) On a leasehold for not less than 99 years, or having a period of 75 years to run from the date the mortgage is executed.
- (c) Leasehold for 50 years, provided the lessor is a government agency, Indian, or Indian tribe.

FINANCING

FHA approved private lending institution. (Mortgages eligible for purchase by FNMA).

TENANT OCCUPANTS

No income requirements.

No restrictions due to race, creed, color or age of the prospective tenant or the composition of his family.

MORTGAGE LIMITS

The maximum mortgage cannot exceed the lesser of:

- (1) \$12,500,000
- (2) 90 percent FHA's estimate of the replacement cost of the project:
- (3) For such part of the property or project attributable to dwelling use an amount per family unit, depending on the number of bedrooms which may be within the dwelling:

Elevator type:

\$10,925 no bedroom
\$15,525 one-bedroom
\$18,400 two-bedroom
\$23,000 three-bedroom
\$26,162 four-bedroom or more

All other types:

\$9,200 no bedroom
\$12,937 one-bedroom
\$15,525 two-bedroom
\$19,550 three-bedroom
\$22,137 four-bedroom or more

The sums mentioned in (3) above may be increased by up to 45 percent in high cost areas. Mortgage term is limited to 40 years.

Maximum interest rate is variable.

Repayment--level annuity monthly plan (equal monthly payments to principal and interest).

HOW SPONSOR SHOULD PROCEED

Preliminary conference with FHA insuring office--identifying locality, general site, number of units and rents to be charged.

If project appears feasible sponsor will be asked to submit application (FHA Form 2013) for feasibility analysis.

After analysis FHA will advise the sponsor of its finding of feasibility and estimates upon which the feasibility is predicated; such as FHA land value,

improvements, general requirements, estimated construction time, etc.

Sponsor then submits a formal application with fee and exhibits, and if approved FHA will issue a conditional commitment.

After the final submission is made by the sponsor in compliance with the guidelines established at the feasibility conference, a firm commitment will be issued.

FEES AND CHARGES

1. FHA

- application fee (with formal application) is \$1.50 per thousand of mortgage amount applied for
- commitment fee, \$3.00 per thousand dollars of commitment amount, less application fee previously paid
- inspection fee, \$5.00 per thousand dollars of commitment amount
- mortgage insurance premium, first premium collected in advance at rate of 1/2 of 1 percent of the mortgage amount.

2. Mortgage

- service charge, not to exceed 2 percent of mortgage amount.

3. FNMA

- 1 1/2 percent of mortgage amount.

OBJECTIVES

Large scale rehabilitation of substandard housing is undertaken by HUD-approved sponsors to create homes and improve life for inner city dwellers and to stimulate job training and business opportunities for them in housing construction and community development.

Reuse of existing housing through rehabilitation is a more rapid, less costly way to provide decent homes for low-and-moderate income families than new construction and a means to conserve neighborhoods.

Rehabilitation can be a self-generating process that results in private initiative as well as public projects to create new neighborhood centers and parks, beautification projects, better streets and lighting and other community benefits. It often encourages other owner/occupants to rehabilitate their property through conventional financing methods.

THE PROPERTIES SELECTED

Substandard properties scheduled for rehabilitation must be structurally sound although having some critical defect which affects safety or livability.

HUD and the project sponsor inspect the property for defects such as open cracks, deteriorated or sagging walls, roofs, chimneys, or ceilings, fire or storm damage, inadequate or hazardous utilities systems or missing basic equipment. HUD and the sponsor determine the repairs necessary to render all housing components operable with normal maintenance.

PROJECT REHAB

HUD-FHA is stimulating extensive rehabilitation in 29 cities. As more cities meet HUD requirements, they will join in Project REHAB activities. REHAB is a cooperative effort depending upon support and coordination of action by city and Federal governments, homebuilders, material suppliers, labor, lenders and neighborhood residents.

HOW CITIES ARE SELECTED

Cities are chosen on the basis of:

- availability of absentee-owned properties with possibilities for repair.
- availability of contractors to do the work and public or private sponsors, either profit or nonprofit, to acquire, rehabilitate, finance, manage and sell or rent the properties to moderate and low income families.
- willingness of city officials to communicate with neighborhood residents, provide relocation housing and provide jobs and sponsorship opportunities to all qualified people, including minority group members.

HOW BUSINESS HELPS

Private industry supplies money and manpower for rehabilitation projects while businessmen provide job training opportunities and managerial skills.

HOW HUD HELPS

Financial aid comes from regular, ongoing HUD-FHA programs which provide monthly payments to reduce housing costs for moderate and lower income families in private housing, either owned or rented by the occupant family. Other help comes from HUD programs designed to help local public agencies provide safe, sanitary, low-rent public housing for low-income families. HUD-FHA coordinates rehabilitation projects with programs in Model Cities, Urban Renewal and Code Enforcement areas, wherever possible.

RESIDENTS OF REHAB HOUSING

Former residents of the properties are guaranteed first chance to occupy the private rehabilitated housing. To be eligible, a family must have an adjusted family income not exceeding 135 percent of admission income limit for a family of the same size eligible to move into local public housing. Public housing limits are established by the local housing authorities and approved by HUD.

Adjusted income means total income received by all resident family members during the preceding 12 months from all sources, before taxes and minus: (1) 5 percent of such income; (2) earnings of eligible minors, except the mortgagor and spouse; and (3) \$300 for each eligible minor, except mortgagor and spouse.

Tenants of public housing projects developed under the REHAB program may not pay more than 25 percent of income for rent. Also, the income adjustment factors vary slightly for public housing tenants.

In REHAB projects where participating families receive Federal interest subsidy on home mortgages, their assets--cash, real estate, for example--are limited to \$2,000 (\$5,000 for buyers over age 62).

The law prohibits discrimination in housing of any kind on the basis of race, color, religion and national origin.

APPENDIX K

HOUSING FOR LOW INCOME FAMILIES

HUD's NEW SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM

U.S. Department of Housing and Urban Development

HUD's NEW SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM

When President Ford signed the Housing and Community Development Act of 1974 (HCD Act) into law, HUD was directed to replace, by January 1, 1975, the Section 23 leased housing program with a new Section 8 Housing Assistance Payments (HAP) program for lower-income families. Although many characteristics of the former program have been retained, there are several significant changes that extend the benefits of Federal housing assistance to more people who need housing while expanding program participation for owners, developers and Public Housing Agencies (PHA's).

For example, owners and developers of new or substantially rehabilitated dwelling units may now contract directly with HUD as well as with a PHA for housing assistance payments on behalf of eligible families. In addition, more families may be eligible for assistance because income limits have been increased, and housing assistance payments are now authorized for families whose adjusted gross incomes do not exceed 80 percent of the median income for the area.

This leaflet answers some of the questions about HUD's new Section 8 program. Specific information about how to participate in the program is available from the nearest HUD Regional or field office listed on the back page, or from the nearest PHA.

WHAT IS THE PROGRAM DESIGNED TO DO?

It is designed to enable families to live in decent housing who would be unable to afford such housing from their own resources. The program utilizes existing, substantially rehabilitated and newly constructed housing units.

HOW MANY FAMILIES ARE EXPECTED TO BE ASSISTED?

It is anticipated that the program will assist more than 300,000 families to obtain good housing.

WHAT ARE THE PRIORITIES FOR EXISTING UNITS, SUBSTANTIAL REHABILITATION AND NEW CONSTRUCTION IN THIS PROGRAM?

HUD field offices allocate funding for Section 8 units to the various localities on the basis of such factors as need and conformance with approved local housing assistance plans. Where an adequate supply of existing housing is available, such housing will be used first, with substantial rehabilitation and new construction generally utilized where there is an insufficient supply of acceptable existing housing within the rent limitations of the program.

HOW DOES THE PROGRAM WORK FOR EXISTING HOUSING?

A family determined eligible by the PHA will be given a Certificate of Family Participation. The family may then seek a suitable unit anywhere within the operating jurisdiction of the PHA. If the owner is willing to lease a unit to the family, and if the unit is decent, safe and sanitary, the gross rent (Contract Rent plus allowance for tenant-paid utilities, if any) is reasonable and within the HUD-established Fair Market Rent for existing housing, and if the PHA approves the lease, a lease may be signed by the owner and the family, and a Housing Assistance Payments Contract will be executed between the PHA and the owner. Pursuant to this contract, the owner will receive a monthly payment from the PHA equal to the difference between the rent payable to the owner by the family and the approved rent for the unit.

FAIR MARKET RENTS

These are established by HUD and published in the Federal Register at least annually for each housing area by unit size and structural type. Fair Market Rents for new and substantially rehabilitated units are the same, but there is a separate schedule for existing housing. The local HUD office can provide the relevant schedules.

HOW DOES THE PROGRAM WORK FOR NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION?

Non-profit and profit motivated private owners and developers, PHA's, and owners and developers working with PHA's may submit development proposals in response to HUD-published invitations or may apply to State housing finance or development agencies in their State. If preliminary and final proposals are acceptable to HUD, an agreement will be executed which provides, among other things, that upon satisfactory completion of the project, a HAP Contract will be executed for the units to be occupied by eligible families.

WHAT KIND OF FINANCING IS AVAILABLE?

While the Section 8 program does not provide construction or permanent financing, it provides long-term commitments of housing assistance payments pursuant to Housing Assistance Payments contracts which can be pledged as security for mortgage loans or loans obtained through the issuance of tax-exempt notes or bonds by State or local public agencies. This pledge may be used with any type of financing, including a HUD/FHA insured mortgage. HUD must approve any financing, however, that pledges the Agreement or the HAP Contract as security for any loan or obligation.

HOW MUCH RENT CAN THE OWNER COUNT ON?

Generally, the Contract Rent plus the allowance for any utilities paid by the family, may not exceed the HUD-established Fair Market Rent for the housing area in which the units will be located. In certain cases, the Fair Market Rent may be exceeded by up to 10 percent: for new construction and substantial rehabilitation where HUD field office directors determine that special circumstances so warrant; and for existing units if the PHA certifies that such higher rents are

reasonable, specifies the factors upon which that determination is based and secures HUD approval. The Fair Market Rent may be exceeded by up to 20 percent upon approval by the HUD Assistant Secretary for Housing Production and Mortgage Credit, if he determines that special circumstances so warrant or that higher rents are necessary to implement a local housing assistance plan. In all cases, Contract Rents must be determined to be reasonable in relation to the quality, location, amenities, and the management and maintenance services for the units.

CAN THE CONTRACT RENT BE INCREASED DURING THE TERM OF THE CONTRACT IF THE OWNER'S EXPENSES INCREASE?

Yes, Contract rents for new construction and substantial rehabilitation are adjusted annually by applying an Automatic Annual Adjustment Factor. This is determined by HUD at least once a year and published in the Federal Register. If the utilities are paid directly by the family, the factor is reduced accordingly. Special additional adjustments may be approved by HUD for increases in real property taxes, utility rates or similar costs (i.e. special assessments and utilities not covered by regulated rates), but only to the extent such general increases are not compensated for by the Automatic Annual Adjustment. For existing units, an annual adjustment is permitted on the anniversary date of the lease, upon request to the PHA by the owner (provided such request is accompanied by a certification signed by the owner and the tenant that the unit is in decent, safe and sanitary condition and otherwise in compliance with the lease), not to exceed the percentage change in the applicable Fair Market Rent. Special adjustments may be permitted, subject to HUD approval and effective on the date the owner may legally terminate the tenancy. Such adjustments may reflect increases in actual and necessary expenses resulting from general increases in real property taxes, utility rates or similar costs to the extent that the owner clearly demonstrates that such increases have increased the owner's operating costs and are not compensated for by annual adjustments. In such cases the owner must submit a financial statement supporting the increase to the PHA. The adjustments discussed above may not, however, cause the rents of Section 8 units to be materially different from the rents charged for comparable unassisted units.

WHAT IS THE MAXIMUM TERM OF A HAP CONTRACT?

The term of a HAP Contract for existing units is concurrent with the lease (i.e., not less than one year nor more than three, subject to any provision permitting termination). If, however, the family remains in occupancy under the same terms and conditions of its original lease, the Contract may be extended up to five years. For new or substantially rehabilitated units, the maximum term (including renewals) is generally 20 years; in the case of a project owned by, or financed by a loan or loan guarantee from a State or local agency, the maximum term may be 40 years. This maximum is established on the basis of the amount of capital expenditures reasonably required for the project, the reasonable rate of amortization for the financing, and the approved Contract Rents.

WHAT FAMILIES ARE ELIGIBLE TO PARTICIPATE IN THE PROGRAM?

The program helps "lower-income" and "very low-income" families. A "lower-income" family is one whose adjusted income does not exceed 80 percent of the

median income in the area. A "very low-income" family is one whose adjusted income does not exceed 50 percent of the median income in the area. The adjustments take into account the size of the family, among other factors.

WHAT DO THESE CLASSIFICATIONS MEAN TO THE OWNER?

For new construction or substantially rehabilitated units, an owner is required to rent 30 percent of the units to very low-income tenants during the initial rent up, and to exercise his best efforts to maintain that ratio during the Contract period.

WHAT ABOUT SINGLE PEOPLE LIVING ALONE?

If the income is within the limits defined by HUD, a "family" in this program may be a single person 62 or older, or a handicapped or disabled person as defined by law, or a displaced person, or the remaining member of an eligible tenant family. Two or more elderly, disabled or handicapped persons living together, or one or more such individuals living with another person needed to care for them, are also eligible for housing assistance in this program.

HOW ARE THE SUBSIDIES COMPUTED?

As its share of the rent, the family pays between 15 and 25 percent of its gross income, depending on income, number of minors, and medical and child care expenses. The housing assistance payment to the owner is the difference between the family's share and the Contract Rent for the units, and is paid monthly on behalf of the family. The family's share of the rent may be adjusted up or down, depending on any changes in the family's circumstances (with appropriate adjustment in the housing assistance payment).

HOW OFTEN ARE THE FAMILY CIRCUMSTANCES REVIEWED?

The owner reviews the circumstances of families occupying new and substantially rehabilitated units at least annually. The PHA conducts the annual review of circumstances of families occupying existing units. Reviews for elderly and handicapped families take place every two years.

WHAT HAPPENS IF A UNIT UNDER CONTRACT IS VACANT?

For newly constructed or substantially rehabilitated units, if a unit is not leased on the effective date of the Contract, the owner may receive 80 percent of the Contract Rent for a period not to exceed 60 days, provided the owner has complied with his approved fair housing marketing plan, has taken all feasible actions to secure a tenant and has not rejected any eligible applicant except for good cause. If an eligible family vacates an occupied unit, the owner may receive 80 percent of the Contract Rent for a vacancy period not to exceed 60 days, provided the owner promptly notifies HUD of the vacancy, or pending vacancy, together with the reasons

therefore, and continues to take affirmative action to fill the vacancy. Payments for vacant units will not be made if the owner fails to follow HUD procedures requiring that he give written notice to a family he wishes to evict, or if the owner has evicted the family in violation of the lease or applicable law.

For existing units, a vacancy payment may be made in the same ratio and under the same conditions as those for new construction when a unit occupied by an eligible family has been vacated in violation of the lease, except that the payments will be made for a maximum of 60 days or the expiration of the lease, whichever is sooner.

HOW MANY UNITS MAY BE ASSISTED IN ANY STRUCTURE OR PROJECT?

Up to 100 percent of the units in any new construction or substantially rehabilitated project may be assisted. To encourage a broad economic mix of families, however, HUD will give preference to those projects in which 20 percent or fewer of the units receives assistance. This preference does not apply to projects with 50 units or fewer, or those designed specifically for the elderly or handicapped.

WHAT IS THE FUNCTION OF THE LOCAL GOVERNMENT IN THIS PROGRAM?

The unit of general local government has an opportunity to review all complete proposals for new and substantially rehabilitated dwelling units and all complete applications for the use of existing housing. Where there is a HUD-approved housing assistance plan in effect, review is for consistency with that plan. Where there is no plan, the local government has an opportunity to comment upon, or provide information concerning the need for housing assistance and the availability of local families and public services to serve the proposed housing.

HOW DOES AN OWNER OR DEVELOPER PARTICIPATE IN THE SECTION 8 PROGRAM?

Owners and developers may submit preliminary proposals for new construction or substantial rehabilitation in response to invitations for Preliminary Proposals published in local newspapers by HUD. Owners of existing units may obtain additional information about participation by communicating with the nearest local housing agency or HUD field office.

Pursuant to the requirements and guidelines of the National Environmental Protection Act, the Council on Environmental Quality, the U. S. Department of Housing and Urban Development, and the State Environmental Policy Act, the following is a summary of environmental considerations regarding the recommendations in this housing study.

1. Abstract. The quality of the existing housing stock within Woodfin is examined and various factors which influence housing are related to the projected future housing needs. Recommendations are made which if implemented would improve the living environment of the residents of the town.
2. Environmental Impact. The recommendations, if implemented, will have a favorable impact on the environment.
3. Adverse Environmental Effects. The recommendations, if implemented, will not create any adverse environmental impact.
4. Alternative. The alternative is to ignore the lack of an adequate quantity of standard housing to meet the needs of the residents of the town. This would lead to the continued decline of the housing in the county and all the adverse physical and social consequences which result from poor housing.
5. The Relationship Between Short Term Uses of Man's Environment and Maintenance of Long Term Productivity. These recommendations, if implemented, will serve to protect the environmental quality of the town. In addition, the illumination of the adverse effects resulting from poor housing will, over the long run, increase the productivity of man's environment.
6. Mitigation Measures to Minimize Impact. It is recommended that a housing code be strictly enforced only if suitable relocation housing is made available. It is also recommended that any measures to improve the housing situation which are implemented should avoid imposing any hardship on those whom it is designed to help.
7. Irreversible Commitments of Resources. The recommendations contained in this report do not involve the commitment of resources.
8. Federal, State and Local Environmental Controls. All existing state and federal and county environmental controls currently being enforced will be applicable to the planning area.



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